

REPORT OF THE COMMITTEE ON FINANCE

JULY 23, 2012
(RECESSED AND RECONVENED ON JULY 24, 2012)

The Honorable,
The Board of Commissioners of Cook County

ATTENDANCE

Present: Chairman Daley, Vice Chairman Sims, Commissioners Beavers, Butler, Fritchey, Gainer, Garcia, Gorman, Goslin, Murphy, Reyes, Schneider, Silvestri, Steele, Suffredin and Tobolski (16)

Absent: Commissioner Collins (1)

Also Present: Patrick T. Driscoll, Jr. – Deputy State’s Attorney, Chief, Civil Actions Bureau; Kesner Bienvenu – Special Counsel to the President; Matthew J. Burke - Assistant General Counsel, Cook County Sheriff’s Office, Legal Labor Affairs; Patricia Horne – Director, Support Services Department; Zelda Whittler – Undersheriff, Cook County Sheriff’s Office; Larry L. Deskins – CBM Premier Management LLC, Mike Bellette - CBM Premier Management LLC; Marlin C. Sejnoha, Jr., - President/CEO, CBM Managed Services; Alexis Herrera – Chief Financial Officer, Cook County Sheriff’s Office; Maria De Lourdes Coss - Chief Procurement Officer; LaVerne Hall – Contract Compliance Officer; Richard Prendergast - Aramark LLC.

Ladies and Gentlemen:

Your Committee on Finance of the Board of Commissioners of Cook County met pursuant to notice on Monday, July 23, 2012 at the hour of 1:00 P.M., recessed and reconvened for a meeting on Tuesday, July 24, 2012 at the hour of 10:00 A.M. in the Board Room, Room 569, County Building, 118 North Clark Street, Chicago, Illinois.

Your Committee has considered, for information purposes only, the following item and upon adoption of this report, the recommendation is as follows:

318664 Submitting a Proposed Ordinance sponsored by TONI PRECKWINKLE, President, and JOHN P. DALEY, County Commissioner.

Transmitting a Communication dated July 9, 2012 from Kesner Bienvenu, Assistant Special Legal Counsel to the President, respectfully submitting a Substitute Proposed Ordinance Amendment providing for comprehensive changes to the Cook County Procurement Code and Minority/Women Business Enterprise Ordinance, for your approval.

Dear Commissioners:

Attached hereto, please find a proposed amendment to Item No. 318664, initially introduced June 19, 2012. The changes generally facilitate M/WBE certification

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reciprocity, define the CPO's authority with respect to contract amendments, and clarify invoicing requirements. The changes are described in greater detail as follows:

1. The CPO's authority to approve and execute amendments to contracts is more clearly limited to the \$150,000 authority included in Section 34-123;
2. The definition of "County Marketplace" is modified to include the counties of Cook, DuPage, Kane, Lake, McHenry and Will;
3. The initial fee for M/WBE certification is increased to \$250, and the fee for filing a "no change" affidavit is eliminated;
4. The construction M/WBE ordinance includes language from the Interim Construction M/WBE ordinance passed in June of 2011 so that it is more clearly severable from the non-construction portion of the ordinance;
5. The Chief Procurement Officer is granted the ability to use prequalification as one of her innovative procurement methods; and
6. The invoice requirements in Section 310 are modified to address Professional Services and Consulting contracts.

Please call me with any questions. Thank you in advance for your assistance.

Very truly yours,
Kesner Bienvenu
Assistant Special Legal Counsel

PROPOSED ORDINANCE AMENDMENT

AN ORDINANCE AMENDMENT to various Divisions, Sections, and Paragraphs of Chapter 34, Article IV of the Cook County Code of Ordinances.

Communication No. 318664 was amended by errata and was further amended by substitution at the Finance Committee meeting of July 10, 2012. The complete text of item is available on the website of the Secretary to the Board, <http://blog.cookcountylil.gov/secretarytotheboard/>

***Referred to the Committee on Finance on 6/19/12.**

**** Deferred on 7/10/12**

Commissioner Garcia, seconded by Commissioner Tobolski, moved Approval of Communication No. 318664.

Commissioner Garcia, seconded by Commissioner Tobolski, moved to further amend Communication No. 318664. The motion carried, and Communication No. 318664 was amended, as follows:

PROPOSED AMENDMENT TO COMMUNICATION NO. 318664

Date: July 23, 2012 (Note: changes presented by this Amendment are indicated herein by double underline and double strike-through. This item was previously amended by errata and substitution on July 10, 2012.)

Sponsored by

**THE HONORABLE TONI PRECKWINKLE, PRESIDENT AND JOHN P. DALEY,
COOK COUNTY BOARD OF COMMISSIONERS**

NOW, THEREFORE, BE IT ORDAINED that Chapter 34, Article IV, Division 1, Sec. 34-1245 of the Cook County Code, is hereby amended as follows to include the following definition:

Professional Services means services rendered by members of a recognized profession or possessing a special skill. Such services are generally acquired to obtain information, advice, training or direct assistance.

~~BE IT FURTHER ORDAINED by the Cook County Board of Commissioners, that Chapter 34, Article IV, Division 1, Sec. 34-125 of the Cook County Code, is hereby amended as follows:~~

Sec. 34-125. - Powers and duties of the Chief Procurement Officer.

The Chief Procurement Officer shall:

- (a) Make all Procurements and conduct all activities related to the Procurement Process in accordance with the Procurement Code and any procedures promulgated pursuant hereto;
- (b) Establish and maintain procurement policies and procedures, and standardized documents and forms to implement the Procurement Code;
- (c) Cooperate with the Contracts Compliance Director to coordinate the procurement process with the Minority- and Women-Owned Business Program established pursuant to Division 8 of this Procurement Code;
- (d) Develop and maintain procedures for disseminating information and notice of procurement opportunities;
- (e) Have authority to implement innovative procurement methods and processes pursuant to this Procurement Code;
- (f) Have authority to approve and execute an assignment of or an amendment to a Contract; provided that any such amendment does not extend the Contract by more than one year, and further provided that the total cost of all such amendments does not increase the amount of the Contract beyond the authority of the CPO granted in Section 34-123, ~~or in the case of Contracts approved by the Board, provided that the total cost of all such amendments does not increase the Contract by more than 10%;~~
- (g) Have authority to establish the commencement and expiration dates of any Contract as necessary to permit the Contract period to commence upon the date of Execution of the Contract by the County, unless another commencement date is specified in the Contract;
- (h) Within the CPO's authority, approve and execute Contracts;
- (i) Ensure that all certifications, statements and affidavits required by this Procurement Code are submitted;

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(j) Determine when supplies, materials and equipment are obsolete or unusable, and trade in, sell or dispose of such property, except for such property which is the responsibility of the Cook County Health and Hospitals System;

(k) Compile and maintain information for all Procurements, including those Procurements and Contract amendments which do not require Board approval. The CPO shall submit a report to the Board on a monthly basis listing the Procurements and Procurement amendments executed by the CPO that do not require Board approval, including a list of each Person from whom the County makes such a Procurement and the method of Procurement applied, as well as Procurements that authorize the advance payment for services. Such reports shall include:

(1) The name of the Vendor;

(2) A brief description of the product or service provided;

(3) The name of the Using Department and budgetary account from which the funds are being drawn; and

(4) The amount and term of the Procurement; and

(5) The amount and/or extension period of the amendment, if applicable.

Such report shall be provided to the Board of Commissioners in an electronic format.

~~The CPO shall work with the Comptroller to also provide a monthly report of the individual and total aggregate amount disbursements made for Procurements that do not require Board approval. The Comptroller shall provide to the Board of Commissioners a report of all payments made pursuant to contracts for supplies, materials and equipment and for professional and managerial services for Cook County, including the separately elected Officials, which involve an expenditure of \$150,000.00 or more, within two weeks of being made. Such reports shall include:~~

(1) The name of the Vendor;

(2) A brief description of the product or service provided;

(3) The name of the Using Department and budgetary account from which the funds are being drawn; and

(l) The CPO shall work with the Comptroller to provide a monthly report of the individual and total aggregate amount disbursements made for Procurements that do not require Board approval. The Comptroller shall provide to the Board of Commissioners a report of all payments made pursuant to contracts for supplies, materials and equipment and for professional and managerial services for Cook County, including the separately elected Officials, which involve an expenditure of \$150,000.00 or more, within two weeks of being made. Such reports shall include:

(1) The name of the Vendor;

(2) A brief description of the product or service provided;

(3) The name of the Using Department and budgetary account from which the funds are being drawn; and

(4) The contract number under which the payment is being made.

Such report shall be provided to the Board of Commissioners in an electronic format.

(~~4m~~) Make available on the County's website information related to all Procurements, including, but not limited to, a list of Contracts and a list of Contractors and subcontractors;

(~~mn~~) Keep a record of any Person who has been disqualified under Division 4, Disqualification; Penalties, and shall provide such record to the Cook County Health and Hospitals System;

(~~no~~) Have authority to terminate a Contract in accordance with its terms;

(~~ep~~) Issue notices of violation to enforce the provisions of this Code, as applicable, and institute enforcement proceedings under Chapter 2, Article IX, as appropriate;

(~~pq~~) Work with the Comptroller to assure that Contractors are not paid in advance of performance, unless such advance payment is provided for and properly justified in the Contract; and

(~~qr~~) Have charge of such other Procurement activities as may be assigned by the President or the Board.

BE IT FURTHER ORDAINED by the Cook County Board of Commissioners, that Chapter 34, Article IV, Division 2, Sec. 34-144(a) of the Cook County Code, is hereby amended as follows:

Sec. 34-144. Innovative procurement.

(a) The CPO may make a Procurement using innovative methods of procurement, including but not limited to electronic procurement, reverse auctions, electronic bidding, electronic auctions, prequalification, and pilot procurement programs that have no cost to the County. In order to implement innovative methods of procurement, either directly or through a service provider, the CPO must make a determination that such process is competitive and in the best interest of the County.

BE IT FURTHER ORDAINED THAT Chapter 34, Article IV, Division 8, Subdivision 1, Sec. 34-260 of the Cook County Code, is hereby amended as follows:

Sec. 34-260. Short title.

This subdivision shall be known and may be cited as the Cook County Minority- and Women-Owned Business Enterprise General Ordinance. This subdivision is applicable to all Contracts, ~~including~~~~except~~ Public Works Contracts ~~other than as modified pursuant to which are governed by~~ Subdivision 2 of this Division 8.

BE IT FURTHER ORDAINED THAT Chapter 34, Article IV, Division 8, Subdivision 1, Sec. 34-263 of the Cook County Code, is hereby amended as follows:

Sec. 34-263. Definitions.

The following words, terms and phrases, when used in this Subdivision I, ~~including both subdivision I and subdivision II~~, shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning. Capitalized terms not defined in this section are defined in Division 1 of this Procurement Code, or in Sec. 1-3 of the County Code. Additional terms applicable to subdivision II are set forth in such subdivision.

Affiliate. An "Affiliate" of, or a Person "Affiliated" with, a specified Person shall mean any Person that directly or indirectly through one or more intermediaries, Controls, is Controlled by, or is under common Control with, the Person specified. Affiliates shall be considered together in determining whether a firm is a small business.

County Marketplace means the ~~Metropolitan Statistical Area for Chicago, as established by the Bureau of the Census six-county region~~, currently the counties of Cook, DuPage, Kane, Lake, ~~Kendall~~McHenry and Will.

BE IT FURTHER ORDAINED THAT Chapter 34, Article IV, Division 8, Subdivision II, Sections 34-285 to 289 of the Cook County Code, are hereby amended as follows:

Sec. 34-285. Short title; incorporation of provisions.

This subdivision may be known and cited as the Cook County Public Works Minority- and Women-Owned Business Enterprise Ordinance and may be cited as such. The provisions of the Cook County Minority and Women Owned business Enterprise General Ordinance are applicable to Public Works Contracts, except to the extent modified hereby.

Sec. 34-286. Findings.

(a) The findings set forth in subdivision I Sec. 34-261 of this division 8 are incorporated herein by this reference.

(b) After ~~The~~ requirement in subdivision I that minority- and women-owned businesses (M/WBEs) be allotted certain percentages of County construction contracts was ruled unconstitutional, the County witnessed a drastic reduction in M/WBE construction prime contract and subcontract participation, as applied to construction contracts in Builders Association of Greater Chicago v. County of Cook, 256 F.3d 642 (7th Cir. 2001). See also Builders Association of Greater Chicago v. City of Chicago, 2003 WL 1786489, 2003 U.S. Dist. Lexis 23287 (N.D. Ill. 2003).

(c) The President and the Board of Commissioners of the County of Cook, after considering (i) evidence presented at trial in *Builders Association of Greater Chicago v. City of Chicago*, 298 F.Supp.2d 725 (N.D. Ill. 2003) and *Northern Contracting, Inc. v. Illinois Department of Transportation*, 2005 U.S. Dist. LEXIS 19868 (N.D. Ill. Sept. 8, 2005); (ii) County statistical evidence of continuing discrimination against Blacks, Hispanics, Asians and women in the County's Procurements; (iii) the Report title, "Review of Compelling Evidence of Discrimination Against Minority- and Women-Owned Business Enterprise in the Chicago Area

Construction Industry and Recommendations for Narrowly Tailored Remedies for Cook County, Illinois;" as well as (iv) anecdotal evidence of discrimination against minorities and women in the County's Public Works Contracts; and (v) receiving and considering written reports, adopts the following findings as a strong basis in evidence supporting a narrowly tailored, remedial affirmative action program in Public Works Contracts.

(d) The County seeks to provide a level playing field and equal access for all prime contractors and subcontractors to participate in Public Works Contracts;

(e) The County has engaged in committee hearings in which the County has heard anecdotal evidence of discrimination in the construction industry, has commissioned and reviewed the a study entitled "The Status of Minority and Women-Owned Business Enterprises Relevant to Construction Activity In and Around Cook County, Illinois" (the "NERA Study") on the levels of PCE participation in Public Works Contracts, ~~has reviewed the report prepared indicating evidence of discrimination in Public Works Contracts~~ and has considered the evidence in relevant case law; and

(f) The NERA Study made recommendations for a revised Minority and Women owned business program for construction contracting, emphasizing the establishment of Project-specific goals, implementation of race and gender neutral measures, and enhancements to data gathering, implementation and performance monitoring of the program;

(g) The County has a compelling interest in preventing discrimination and desires to reaffirm its commitment to full and fair opportunities for all firms to participate in its construction contracts.

Sec. 34-287 Policy.

~~Based on the findings set forth in subdivision I, Sec. 34-261 and the findings set forth in subdivision II, Sec. 34-286, and in addition to the policy set forth at Sec. 34-262, the policy and purpose of this subdivision is to establish and implement goals for participation of PCEs in Public Works Contracts, in accordance with all applicable laws.~~

~~It is hereby found, determined and declared that the purpose of this Ordinance is to ensure the full and equitable participation of Minority- and Women-Owned Business Enterprises in the County's procurement process as both prime and subcontractors in the County's Public Works contracts. The County is committed to a policy of preventing discrimination in the award of or participation in Public Works contracts and has recommended appropriate narrowly tailored remedies to eliminate any such discrimination.~~

Sec. 34-288. Program goals. Applicability.

~~The Program Goal applicable to Public Works Contracts shall be a goal of twenty four percent (24%) of the annual total dollar amount of Public Works Contracts to MBEs and a goal of not less than ten percent (10%) of the annual total dollar amount of Public Works Contracts to WBEs. In establishing a Contract Specific Goal for Public Works Contracts, the CCD shall~~

~~consider the availability of sufficient Certified MBEs and WBEs for each trade required as part of the project.~~

This subdivision shall apply to all Public Works contracts, regardless of the sources of other funds; provided that any Public Works contract with respect to which a goal for Minority-Owned Business Enterprise or Women-Owned Business Enterprise participation is inconsistent with or prohibited by State or Federal law shall be exempt from the goals included in this subdivision.

Sec. 34-289. Commercially Useful Function. Severability.

~~To determine whether a PCE is performing a Commercially Useful Function, the County will evaluate whether the portion of the work subcontracted to or by a PCE is in accordance with industry standards. For example, if a PCE subcontracts a greater portion of the work of a Contract than would be expected based on normal industry practice, it is presumed not to perform a Commercially Useful Function. In addition, to perform a Commercially Useful Function, the PCE must be responsible, with respect to materials, equipment and supplies used in performing its portion of the Contract, for negotiating price, determining whether quality meets specifications, ordering the material, installing (where applicable) and paying for the material itself.~~

If any section, subsection, clause or provision of this subdivision is held to be invalid by a court of competent jurisdiction, the remainder of the subdivision shall not be affected by such invalidity.

Sec. 34-290. Definitions.

The following terms shall have the following meanings:

Affiliate of a person or entity means a person or entity that directly or indirectly through one or more intermediaries, controls or is controlled by, or is under common control with, the person or entity. In determining Affiliation, the County shall consider all appropriate factors, including common ownership, common management, and contractual relationships. **Affiliates shall be considered together in determining whether a firm is a Small Business.**

Annual Participation Goals mean the targeted levels established by the County for the annual aggregate participation of MBEs and WBEs in County construction contracts.

Business means a sole proprietorship, partnership, corporation, limited liability company, Joint Venture or any other business or professional entity.

Certified Firm means a firm that has been accepted by the County as a certified MBE or WBE.

Contractor means any Business that seeks to enter into a construction contract with the County, other than for professional services, and includes all partners and Affiliates Business.

Commercially Useful Function means responsibility for the execution of a distinct element of the work of the contract, which is carried out by actually performing, managing, and supervising the work involved, or fulfilling such responsibilities as a Joint Venture partner.

Compliance Contract Director or "CC Director" means the Contract Compliance Director.

County means the County of Cook and its participating User Departments.

County's Marketplace means the Metropolitan Statistical Area for Chicago, as established by the Bureau of the Census six-county region, currently the counties of Cook, DuPage, Kane, Lake, Kendall, McHenry and Will.

Doing Business means having a physical location from which to engage in for profit activities in the scope(s) of expertise of the Business.

Economically Disadvantaged means an individual with a Personal Net Worth less than \$2,000,000.00 indexed annually for the Chicago Metro Area Consumer Price Index, published by the U.S. Department of Labor, Bureau of Labor Standards, beginning January 200711.

Expertise means demonstrated skills, knowledge or ability to perform in the field of endeavor in which certification is sought by the Business, as defined by normal industry practices, including licensure where required.

Good Faith Efforts means actions undertaken by a Contractor to achieve an MBE or WBE goal, which, by their scope, intensity, and appropriateness to the objective, can reasonably be expected to fulfill the Program's goals.

Joint Venture means an association of two or more Businesses proposing to perform a for profit business enterprise. Joint Ventures must have an agreement in writing specifying the terms and conditions of the relationships between the partners and their relationship and responsibility to the contract.

Local Business means a Business located within the County's Marketplace which has the majority of its regular, full time work force located within the County's Marketplace.

Local Small Business means a Local Business which is also a Small Business.

Manufacturer means a firm that operates or maintains a factory or establishment that produces, on the premises, the materials, supplies, articles, or equipment required under the contract and of the general character described by the specifications.

Minority Business Enterprise (MBE) means a Business:

- (1) Which is at least 51 percent owned by one or more Minority Individuals, or in the case of a publicly owned Business, at least 51 percent of all classes of the stock of which is owned by one or more Minority Individuals;
- (2) Whose management, policies, major decisions and daily business operations are independently managed and controlled by one or more Minority Individuals;
- (3) Which performs a Commercially Useful Function;
- (4) Which is a Certified Firm; and
- (5) Which is a Local Small Business.

Minority Individual means:

- (1) African-Americans or Blacks, which includes persons having origins in any of the Black racial groups of Africa;
- (2) Hispanic-Americans, which includes persons of Mexican, Puerto Rican, Cuban, Caribbean, Dominican, Central or South American;
- (3) Native-Americans, which includes persons who are American Indians, Eskimos, Aleuts, or Native Hawaiians; or
- (4) Asian-Americans, which includes persons whose origins are in any of the original peoples of the Far East, Southeast Asia, the islands of the Pacific or the Northern Marianas, or the Indian Subcontinent; or
- (5) Individual members of other groups, including but not limited to Arab-Americans, found by the County to be socially disadvantaged by having suffered racial or ethnic prejudice or cultural bias within American society, without regard to individual qualities, resulting in decreased opportunities to compete in the County's marketplace or to do business with the County.

Owned means having all of the customary incidents of ownership, including the right of disposition, and sharing in all of the risks, responsibilities and profits commensurate with the degree of ownership.

Personal Net Worth means the net value of the assets of an individual after total liabilities are deducted. An individual's personal net worth does not include the individual's ownership interest in an applicant or other County certified MBE or WBE, provided that the other firm is certified by a governmental agency that meets the County's eligibility criteria or the individual's equity in his or her primary place or residence. As to assets held jointly with his or her spouse, an individual's personal net worth includes only that individual's share of such assets. An individual's net worth also includes the present value of the individual's interest in any vested pension plans, individual retirement accounts, or other retirement savings or investment programs less the tax and interest penalties that would be imposed if the asset were distributed at the present time.

Program means the Program established by the Minority- and Women- Owned Business Enterprise Interim Ordinance.

Project Specific Goals means the Goals established for a particular project or contract based upon the availability of MBEs or WBEs in the scopes of work of the Project.

Public Works means all fixed works constructed or demolished by the County, or paid for wholly or in part out of public funds administered by the County. "Public Works" as defined herein includes all projects financed in whole or in part with bonds, grants, loans, or other funds made available by or through federal or State government, or the County. "Public Works" does not include projects undertaken by the owner at an owner-occupied single-family residence or at an owner-occupied unit of a multi-family residence. "Public Works" includes any maintenance, repair, assembly, or disassembly work performed on equipment whether owned, leased, or rented.

Regular Dealer means a firm that owns, operates, or maintains a store, warehouse, or other establishment in which the materials, supplies, articles or equipment of the general character described by the specifications and required under the contract are bought, kept in stock, and regularly sold or leased to the public in the usual course of business. To be a Regular Dealer, the firm must be an established, regular Business that engages, as its principal business and under its own name, in the purchase and sale or lease of the products in question. A firm may be a Regular Dealer in such bulk items as petroleum products, steel, cement, gravel, stone, or asphalt without owning, operating, or maintaining a place of business if the firm both owns and operates distribution equipment for the products. Any supplementing of a Regular Dealer's distribution equipment shall be by a long-term lease agreement and not on an ad hoc or contract-by-contract basis. Packagers, manufacture representatives, or other persons who arrange or expedite transactions are not Regular Dealers.

Small Business means a small business as defined by the U.S. Small Business Administration, pursuant to the business size standards found in 13 CFR Part 121, relevant to the scope(s) of work the firm seeks to perform on County contracts. A firm is not an eligible small business enterprise in any calendar fiscal year in which its gross receipts, averaged over the firm's previous five fiscal years, exceed the size standards of 13 CFR Part 121.

Socially Disadvantaged means a Minority Individual or Woman who has been subjected to racial, ethnic or gender prejudice or cultural bias within American society because of his or her identity as a member of a group and without regard to individual qualities. Social disadvantage must stem from circumstances beyond the individual's control. A Socially Disadvantaged individual must be a citizen or lawfully admitted permanent resident of the United States.

User Department means the department of the County or elected official responsible for initiating the procurement process.

Utilization Plan means the list of MBEs and WBEs that the Bidder/Proposer commits will be utilized, the scopes of the work and the dollar values or the percentages of the work to be performed.

Woman means a person of the female gender.

Woman-Owned Business Enterprise (WBE) means a Business:

- (1) Which is at least 51 percent owned by one or more Women, or in the case of a publicly owned Business, at least 51 percent of all classes of the stock of which is owned by one or more Women;
- (2) Whose management, policies, major decisions and daily business operations are independently managed and controlled by one or more such Women;
- (3) Which performs a Commercially Useful Function;
- (4) Which is a Certified Firm; and
- (5) Which is a Local Small Business.

Sec. 34-291. Program administration.

(a) The CC Director who shall report to the President of the Board of Commissioners of Cook County, shall administer the Program, and whose duties shall include:

- (1) Formulating, proposing and implementing rules and regulations for the development, implementation and monitoring of the Program.
- (2) Providing information and assistance to MBEs and WBEs relating to County procurement practices and procedures, and bid specifications, requirements, goals and prerequisites.
- (3) Establishing uniform procedures and criteria for certifying, recertifying and decertifying Businesses as MBEs and WBEs, accepting certifications by other agencies, and maintaining a directory of Certified Firms.
- (4) Establishing Project Specific Goals, in collaboration with the User Department.
- (5) Evaluating Contractors' achievement of Project Specific Goals or and Good Faith Efforts to meet Project Specific Goals.
- (6) Working with User Departments to monitor contracts to ensure prompt payments to MBEs and WBEs and compliance with Project Specific Goals and commitments, including gathering data to facilitate such monitoring.
- (7) Receiving, reviewing, and acting upon complaints and suggestions concerning the Program.
- (8) Collecting data to evaluate the Program and other County contracting initiatives.
- (9) Monitoring the Program and the County's progress towards the Annual Participation Goals. The CC Director shall report on a quarterly and annual basis to the President on the administration and operations of the Program.

(b) The User Departments that receive appropriate delegation for project management, contract management, and/or construction and/or design contract responsibility shall have the following duties and responsibilities with regard to the Program:

- (1) Assisting the CC Director with setting Project Specific Goals.
- (2) Assisting in the identification of available MBEs and WBEs, and providing other assistance in meeting the Project Specific Goals.
- (3) Performing other activities to support the Program.
- (4) Gathering and maintaining prime contracting and subcontracting data for those contracts which they manage.
- (5) Submitting subcontracting data as required to the CC Director.

Sec. 34-292. Race- and gender-neutral measures to ensure equal opportunities for all contractors and subcontractors.

The County shall develop and use measures to facilitate the participation of all firms in County construction contracting activities. These measures shall include, but are not limited to:

- (a) Arranging solicitation times for the presentations of bids, quantities, specifications, and delivery schedules to facilitate the participation of interested firms;
- (b) Segmenting, structuring or issuing contracts to facilitate the participation of MBEs, WBEs and other Small Businesses;
- (c) Providing timely information on contracting procedures, bid preparation and specific contracting opportunities;
- (d) Providing assistance to Business in overcoming barriers such as difficulty in obtaining bonding and financing;
- (e) Holding pre-bid conferences, where appropriate, to explain the projects and to encourage Contractors to use all available qualified firms as subcontractors;
- (f) Adopting prompt payment procedures, including, requiring by contract that prime Contractors promptly pay subcontractors;
- (g) Reviewing retainage, bonding and insurance requirements to eliminate unnecessary barriers to contracting with the County;
- (h) Collecting information from all prime Contractors on County construction contracts detailing the bids received from all subcontractors for County construction contracts and the expenditures to subcontractors utilized by prime Contractors on County construction contracts;
- (i) At the discretion of the CC Director, letting a representative sample of County construction contracts without goals, to determine MBE and WBE utilization in the absence of goals;
- (j) Maintaining information on all firms bidding on County prime contracts and subcontracts; and
- (k) Referring complaints of discrimination to Cook County's Commission on Human Relations, or other appropriate authority, for investigation.

Sec. 34-293. Program eligibility.

- (a) Only Businesses that meet the criteria for certification as a MBE or WBE may participate in the Program. The applicant has the burden of persuasion by a preponderance of the evidence.
- (b) Only a firm owned by a Socially and Economically Disadvantaged person(s) may be certified as an MBE or WBE.

- (1) The firm's ownership by a Socially and Economically Disadvantaged person must be real, substantial, and continuing, going beyond pro forma ownership of the firm as reflected in ownership documents. The owner(s) must enjoy the customary incidents of ownership and share in the risks and profits commensurate with that ownership interest.
- (2) The contributions of capital or Expertise by the Socially and Economically Disadvantaged owner(s) to acquire the ownership interest must be real and substantial. If Expertise is relied upon as part of a Socially and Economically Disadvantaged owner's contribution to acquire ownership, the Expertise must be of the requisite quality generally recognized in a specialized field, in areas critical to the firm's operations, indispensable to the firm's potential success, specific to the type of work the firm performs and documented in the firm's records. The individual whose Expertise is relied upon must have a commensurate financial investment in the firm.
- (c) Only a firm that is managed and controlled by a Socially and Economically Disadvantaged person(s) may be certified as a MBE or WBE.
 - (1) A firm must not be subject to any formal or informal restrictions that limit the customary discretion of the Socially and Economically Disadvantaged owner(s). There can be no restrictions through corporate charter provisions, by-law provisions, contracts or any other formal or informal devices that prevent the Socially and Economically Disadvantaged owner(s), without the cooperation or vote of any non-Socially and Economically Disadvantaged person, from making any business decision of the firm, including the making of obligations or the disbursing of funds.
 - (2) The Socially and Economically Disadvantaged owner(s) must possess the power to direct or cause the direction of the management and policies of the firm and to make day-to-day as well as long-term decisions on management, policy, operations and work.
 - (3) The Socially and Economically Disadvantaged owner(s) may delegate various areas of the management or daily operations of the firm to persons who are not Socially and Economically Disadvantaged. Such delegations of authority must be revocable, and the Socially and Economically Disadvantaged owner(s) must retain the power to hire and fire any such person. The Socially and Economically Disadvantaged owner(s) must actually exercise control over the firm's operations, work, management and policy.
 - (4) The Socially and Economically Disadvantaged owner(s) must have an overall understanding of, and managerial and technical competence, experience and Expertise, directly related to the firm's operations and work. The Socially and Economically Disadvantaged owner(s) must have the ability to intelligently and critically evaluate information presented by other participants in the firm's activities and to make independent decisions concerning the firm's daily operations, work, management, and policymaking.
 - (5) If federal, state and/or local laws, regulations or statutes require the owner(s) to have a particular license or other credential to own and/or control a certain type of firm, then the Socially and Economically Disadvantaged owner(s) must possess the

required license or credential. If state law, County ordinance or other law regulations or statute does not require that the owner posses the license or credential, that the owner(s) lacks such license or credential is a factor, but is not dispositive, in determining whether the Socially and Economically Disadvantaged owner(s) actually controls the firm.

(6) A Socially and Economically Disadvantaged owner cannot engage in outside employment or other business interests that conflict with the management of the firm or prevent the owner from devoting sufficient time and attention to the affairs of the firm to manage and control its day to day activities.

(d) Only an independent firm may be certified as a MBE or WBE. An independent firm is one whose viability does not depend on its relationship with another firm. Recognition of an applicant as a separate entity for tax or corporate purposes is not necessarily sufficient to demonstrate that a firm is independent and non-Affiliated. In determining whether an applicant is an independent Business, the CC Director will:

(1) Scrutinize relationships with non-Certified Firms in such areas as personnel, facilities, equipment, financial and/or bonding support, and other resources.

(2) Consider whether present or recent employer/employee relationships between the Socially and Economically Disadvantaged owner(s) of the applicant and non-Certified Firms or persons associated with non-Certified Firms compromise the applicant's independence.

(3) Examine the applicant's relationships with non-Certified Firms to determine whether a pattern of exclusive or primary dealings with non-Certified Firm compromises the applicant's independence.

(4) Consider the consistency of relationships between the applicant and non-Certified Firms with normal industry practice.

(e) An applicant shall be certified only for specific types of work in which the Socially and Economically Disadvantaged owner(s) has the ability and Expertise to manage and control the firm's operations and work.

(f) The County shall certify the eligibility of Joint Ventures involving MBEs or WBEs and non-Certified Firms, provided that the Joint Venture meets the criteria for certification as an MBE or WBE. To be considered an eligible Joint Venture, at least one partner of the Joint Venture must be a Certified Firm, with a share in the capital contribution, control, management, risks, and profits of the Joint Venture which is equal to its ownership interest. Each Certified Firm partner must contribute property, capital, efforts, skill and knowledge and be responsible for a distinct, clearly defined portion of the work of the contract. Joint Ventures must have an agreement in writing specifying the terms and conditions of the relationships between the partners and their relationship and responsibility to the contract.

(g) In lieu of conducting its own certifications, the CC Director by rule may accept formal certifications by other entities as meeting the requirements of the Program, if the CC Director determines that the certification standards of such entities are comparable to those of the County.

(h) The certification status of all MBEs and WBEs shall be reviewed periodically by the Office of Contract Compliance. Failure of the firm to seek recertification by filing the necessary documentation with the CC Director as provided by rule may result in decertification.

(i) It is the responsibility of the Certified Firm to notify the CC Director of any change in its circumstances affecting its continued eligibility for the Program, including decertification by another agency. Failure to do so may result in the firm's decertification.

(j) The CC Director shall decertify a firm that does not continuously meet the eligibility criteria.

(k) Decertification by another agency shall create a *prima facie* case for decertification by the County. The challenged firm shall have the burden of proving that its County certification should be maintained.

(l) A firm that has been denied certification or recertification or has been decertified may protest the denial or decertification as provided by rule.

(m) A firm found to be ineligible may not apply for certification for six (6) months after the effective date of the final decision.

(n) A third party may challenge the eligibility of an applicant for certification or a Certified Firm as provided by rule. Such challenges shall be signed and sworn by the individual challenging the eligibility of an applicant for certification or a certified form. The burden of proof shall rest with the complainant. Such challenges to eligibility shall be subject to an appeal. The CC Director shall be the final arbiter of all challenges. The presumption that the challenged firm is eligible shall remain in effect until the CC Director renders a final decision.

Sec. 34-294. Annual aspirational goals.

The Annual Aspirational Goals for the utilization of MBEs and WBEs on County Public Works contracts and subcontracts shall be twenty-four (24%) percent for MBEs and ten (10%) percent for WBEs.

Sec. 34-295. Project specific goals.

The CC Director, in consultation with the User Department, shall establish Project Specific Goals for construction Contracts based upon the availability of at least three MBEs and three WBEs to perform the anticipated subcontracting functions of the project and the County's utilization of MBEs and WBEs to date.

Sec. 34-296. Counting MBE and WBE participation.

(a) The entire amount of that portion of a contract that is performed by the MBEs or WBEs own forces shall be counted, including the cost of supplies and materials obtained by the MBE or WBE for the work ~~of~~ the contract, and supplies purchased or equipment leased by the MBE or WBE (except supplies and equipment the MBE or WBE purchases or leases from the prime Contractor or the prime Contractor's Affiliate).

(b) The entire amount of fees or commissions charged by a MBE or WBE for providing a bona fide service, such as professional, technical, consultant or managerial services, or for providing bonds or insurance specifically required for the performance of a contract, shall be counted, provided the fee is reasonable and not excessive as compared with fees customarily charged for similar services.

(c) When a MBE or WBE performs as a participant in a Joint Venture, only the portion of the total dollar value of the contract equal to the distinct, clearly defined portion of the work of the Joint Venture's contract that is performed by the MBE or WBE with its own forces and for which it is separately at risk, shall be counted.

(d) Only expenditures to a MBE or WBE that is performing a Commercially Useful Function shall be counted. To determine whether a MBE or WBE is performing a Commercially Useful Function, the County will evaluate the amount of work subcontracted, industry practices, whether the amount the MBE or WBE is to be paid under the contract is commensurate with the work it is actually performing and other relevant factors. To perform a Commercially Useful Function, the MBE or WBE must be responsible, with respect to materials and supplies used on the contract, for negotiating price, determining quality and quantity, ordering the material, installing (where applicable) and paying for the material itself. A MBE or WBE does not perform a Commercially Useful Function if its role is limited to that of an extra participant in the contract through which funds are passed in order to obtain the appearance of MBE or WBE participation. If a MBE or WBE subcontracts a greater portion of the work of a contract than would be expected based on normal industry practice, it is presumed not to perform a Commercially Useful Function. When a MBE or WBE is presumed not to be performing a Commercially Useful Function, the Certified Firm may present evidence to rebut this presumption.

(e) One hundred percent of the cost of the materials or supplies obtained from a MBE or WBE Manufacturer or Regular Dealer shall be counted. One hundred percent of the fees or transportation charges for the delivery of materials or supplies required on a job site shall be counted only if the payment of such fees is a customary industry practice and are commensurate with fees customarily charged for similar services.

(f) If a firm ceases to be a Certified Firm for any other reason than graduation from the M/WBE Construction Program during its performance on a contract, the dollar value of work performed under a contract with that firm after it has ceased to be certified shall not be counted.

(g) In determining achievement of Project Specific Goals, the participation of a MBE or WBE shall not be counted until that amount has been paid to the MBE or WBE.

Sec. 34-297. Contract pre-award compliance procedures.

(a) For all solicitations, the bidder/proposer shall submit a Utilization Plan detailing all subcontractors from which the Contractor solicited bids or quotations, and if Project Specific Goals have been established, its achievement of the Goals or its Good Faith Efforts to do so. The Utilization Plan shall be due at the time the bid / proposal is due.

(b) Any agreement between a Contractor and a MBE or WBE in which the Contractor requires that the MBE or WBE not provide subcontracting quotations to other Contractors is prohibited.

(c) Where the Contractor cannot achieve the Project Specific Goal(s), the CC Director will determine whether the Contractor has made Good Faith Efforts to meet the Goal(s). In making this determination, the Director will consider, at a minimum, the Contractor's efforts to:

- (1) Solicit through all reasonable and available means (e.g., attendance at pre-bid meetings, advertising and written notices) the interest of all MBEs and WBEs certified in the scopes of work of the contract. The Contractor shall provide interested MBEs and WBEs with timely, adequate information about the plans, specifications, and requirements of the contract to allow MBEs and WBEs to respond to the solicitation. The Contractor must follow up initial solicitations with interested MBEs and WBEs.
- (2) Select portions of the work to be performed by MBEs and WBEs in order to increase the likelihood that the Project Specific Goals will be achieved. This includes, where appropriate, breaking out contract work items into economically feasible units to facilitate MBE and WBE participation, even when the Contractor would otherwise prefer to perform these work items with its own forces. It is the Contractor's responsibility to make a portion of the work available to MBEs and WBEs and to select those portions of the work or material needs consistent with the availability MBEs and WBEs to facilitate their participation.
- (3) Negotiate in good faith with interested MBEs and WBEs. Evidence of such negotiation includes the names, addresses, and telephone numbers of MBEs and WBEs that were contacted; a description of the information provided regarding the plans and specifications for the work selected for subcontracting; and why agreements could not be reached with MBEs and WBEs. The Contractor may not reject MBEs and WBEs as being unqualified without sound reasons based on a thorough investigation of their capabilities. That there may be some additional costs involved in finding and using MBEs and WBEs is not in itself sufficient reason for a Contractor's failure to meet the Project Specific Goals, as long as such costs are reasonable. The ability or desire of a Contractor to perform the work of a contract with its own organization does not relieve it of the responsibility to make Good Faith Efforts on all scopes of work that could be subcontracted.
- (4) Make efforts to assist interested MBEs and WBEs in obtaining bonding, lines of credit, or insurance as required by the County or the prime Contractor, where appropriate.
- (5) Make efforts to assist interested MBEs and WBEs in obtaining necessary equipment, supplies, materials, or related assistance or services, where appropriate.
- (6) Use the services of the Office of Contract Compliance, available minority/women community organizations, minority/women contractors' groups, government sponsored minority/women business assistance offices and other appropriate organizations to provide assistance in the recruitment and placement of MBEs and WBEs.

(ed) In determining whether a Contractor has made Good Faith Efforts, the performance of other Contractors in meeting the Project Specific Goals may be considered. For example, when the apparent successful Contractor fails to meet the Project Specific Goals but others meet it, it

may be reasonably questioned whether, with additional reasonable efforts, the apparent successful Contractor could have met the Project Specific Goals. Similarly, if the apparent successful Contractor fails to meet the Project Specific Goals, but meets or exceeds the average MBE or WBE participation obtained by other Contractors, this may be evidence that the apparent successful Contractor made Good Faith Efforts.

(f) A signed letter of intent from each listed MBE or WBE, describing the work, materials, equipment or services to be performed or provided by the MBE or WBE and the agreed upon dollar value shall be due at the time of bid proposal or within three days after such submission.

(g) The CC Director shall timely review the Utilization Plan before award, including the scope of work and the letters of intent from MBEs and WBEs. The CC Director may request clarification in writing of items listed in the Utilization Plan, provided such clarification shall not include the opportunity to augment listed participation or Good Faith Efforts.

(h) If the CC Director determines that the Utilization Plan demonstrates that the Project Specific Goals have been achieved or Good Faith Efforts made, with the concurrence of the User Department, the CC Director and User Department shall recommend award to Purchasing Agent Department.

(i) If the CC Director finds that a Contractor did not make sufficient Good Faith Efforts, the CC Director shall communicate this finding to the User Purchasing Department and recommend that the bid/proposal be rejected. A Contractor may protest this determination pursuant to the County's bid protest procedures.

Sec. 34-298. Contract administration procedures.

(a) Upon award of a contract by the County that includes Project Specific Goals, the Project Specific Goals become covenants of performance by the Contractors and incorporated in the contract.

(b) The Contractor shall provide a listing of all subcontractors to be used in the performance of the contract, and detailed subcontractor information to the County with each request for payment submitted to the County or as otherwise directed by the County. The CC Director and the User Department shall monitor subcontractor participation during the course of the contract. The County shall have full and timely access to the Contractor's books and records, including without limitation payroll records, tax returns and records and books of account, to determine the Contractor's compliance with its commitment to MBE and WBE participation and the status of any MBE or WBE performing any portion of the contract. This provision shall be in addition to, and not a substitute for, any other provision allowing inspection of the Contractor's records by any officer or official of the County for any purpose.

(c) The Contractor cannot make changes to the Utilization Plan or substitute MBEs or WBEs named in the Utilization Plan without the prior written approval of the CC Director, Purchasing Agent and the User Department. Unauthorized changes or substitutions shall be a violation of this subdivision and a breach of contract, and may constitute grounds for rejection of the bid or proposal or cause termination of the executed contract for breach, the withholding of payment and/or subject the Contractor to contract penalties or other sanctions.

- (1) All requests for changes or substitutions of a MBE or WBE Subcontractor(s) named in the Utilization Plan shall be made to the CC Director, Purchasing Agent and the User Department in writing, and shall clearly and fully set forth the basis for the request. A Contractor shall not substitute a MBE or WBE subcontractor or perform the work designated for a MBE or WBE subcontractor with its own forces unless and until the CC Director, Purchasing Agent in consultation with the User Department, approves such substitution in writing. A Contractor shall not allow a substituted subcontractor to begin work until both the Director, Purchasing Agent and the User Department have approved the substitution.
- (2) The facts supporting the request must not have been known nor reasonably should have been known by either party before the submission of the Utilization Plan. Bid shopping is prohibited. The Contractor must negotiate with the MBE or WBE subcontractor to resolve the problem. Where there has been a mistake or disagreement about the scope of work, the MBE or WBE can be substituted only where an agreement cannot be reached for a reasonable price for the correct scope of work.
- (3) Substitutions of the subcontractor shall be permitted only on the following bases:

 - (i) Unavailability after receipt of reasonable notice to proceed.
 - (ii) Failure of performance.
 - (iii) Financial incapacity.
 - (iv) Refusal by the subcontractor to honor the bid or proposal price.
 - (v) Mistake of fact or law about the elements of the scope of work of a solicitation where agreement upon a reasonable price cannot be reached.
 - (vi) Failure of the subcontractor to meet insurance, licensing or bonding requirements; or
 - (vii) The subcontractor's withdrawal of its bid or proposal.
- (4) The final decision whether to permit or deny the proposed substitution, and the basis of any denial, shall be communicated to the parties in writing by the CC Director.
- (5) Where the Contractor has established the basis for the substitution to the satisfaction of the County, the Contractor shall make Good Faith Efforts to fulfill the Utilization Plan. The Contractor may seek the assistance of the Office of Contract Compliance in obtaining a new MBE or WBE. If the Project Specific Goal(s) cannot be reached and Good Faith Efforts have been made, the Contractor may substitute with a non-Certified Firm.
- (6) If the County requires the substitution of a MBE or WBE subcontractor listed in the Utilization Plan, the Contractor shall undertake Good Faith Efforts to fulfill the Utilization Plan. The Contractor may seek the assistance of the Office of Contract Compliance in obtaining a new MBE or WBE subcontractor. If the Goal(s) cannot be

reached and Good Faith Efforts have been made, the Contractor may substitute with a non-Certified Firm.

(d) If a Contractor plans to hire a subcontractor on any scope of work that was not previously disclosed in the Utilization Plan, the Contractor shall obtain the approval of the CC Director to modify the Utilization Plan and must make Good Faith Efforts to ensure that MBES and WBEs have a fair opportunity to bid on the new scope of work.

(e) Changes to the scopes of work shall be documented by the User Department at the time they arise to establish the reasons for the change and the effect on achievement of the MBE or WBE goal.

(f) Prior to contract closeout, the CC Director shall evaluate the Contractor's fulfillment of the contracted goals, taking into account all approved substitutions, terminations and changes to the contract's scope of work. If the County determines that Good Faith Efforts to meet the MBE or WBE commitments were not made, or that fraudulent misrepresentations have been made, or any other breach of the contract or violation of this subdivision, a remedy or sanction may be imposed, as provided in the contract.

Sec. 34-299. Sanctions and penalties.

(a) The following violations of this subdivision may result in a breach of contract:

(1) Providing false or misleading information to the County in connection with submission of a bid, responses to requests for qualifications or proposals, Good Faith Efforts documentation, post award compliance, or other Program operations.

(2) Committing any other violations of this subdivision.

(b) A Contractor or subcontractor is subject to withholding of payments under the contract, termination of the contract for breach, contract penalties, or being barred or deemed non-responsive in future County solicitations and contracts as determined by the County's Purchasing Agent, if it is found to have:

(1) Provided false or misleading information in connection with an application for certification or recertification or colluded with others to do so;

(2) Provided false or misleading information in connection with the submission of a bid or proposal or documentation of Good Faith Efforts, post-award compliance, or other Program operations or colluded with others to do so;

(3) Failed in bad faith to fulfill Project Specific Goals, thereby materially breaching the contract; or

(4) Failed to comply in good faith with substantive provisions of this subdivision.

Sec. 34-300. Program review and sunset.

(a) The President and the Board of Commissioners shall receive quarterly and annual reports from the CC Director detailing the County's performance under the Program.

(b) The President and the Board of Commissioners will review these reports, including the Annual Participation Goals and the County's progress towards meeting those Goals and eliminating discrimination in its contracting activities and marketplace.

(c) Within five years after the effective date of this ordinance, the County will review the operation of the Program and the evidentiary basis for the Program in order to determine whether it the County has a continuing compelling interest in remedying discrimination against MBEs and WBEs in its construction marketplace, and the permissible scope of any narrowly tailored remedies to redress discrimination against MBEs or WBEs so that the County will not function as a passive participant in a discriminatory marketplace.

(d) This subdivision shall sunset on or before June 30, 2016.

DIVISION 9. CONTRACT MANAGEMENT

Sec. 34-3001. Contracts

(a) *Purpose.* The purpose of this Division is to ensure that Contracts in an amount of \$1,000,000.00 or more are performed in accordance with the Contract terms.

(b) *Applicability.* This Division shall only apply to Contracts of \$1,000,000.00 or more.

(c) *Funding.* The extent to which this division shall be implemented shall be limited to the availability of funding. The Board encourages the County to seek out any available grant funding for this initiative.

Sec. 34-3012. Information to be contained in Contracts

All Contracts over \$1,000,000.00 should contain, but not be limited to, the following information, as applicable:

(a) Clearly state the specifications, contract period, allowable renewals or extension periods, and procedures for amendments or changes;

(b) Provide for specific measurable deliverables and reporting requirements, including due dates;

(a) Describe any payment schedules and escalation factors;

(d) Contain performance standards;

(e) Tie payments to the acceptance of deliverables or the final product;

(f) Contain all standard or required clauses as published in an RFP. Order of precedence should be addressed in case of a discrepancy between the RFP and the Contract;

(g) Contain appropriate signatures, approvals, acknowledgements, or witnesses; and

(h) Be reviewed and approved as to form by an attorney from the Cook County State's Attorney's Office prior to execution.

Sec. 34-3023. Contract management for Contracts.

(a) Using Agency responsibilities are as follows:

(1) Designate one or more individuals as the "Contract Manager" with the knowledge, skills, ability and time to monitor the Contract;

(2) The CPO may provide staff to assist the Using Agency in complying with this division.

(b) Contract Manager's duties:

(1) Monitor performance of the Contract in accordance with its terms;

(2) Track budgets and compare invoices and charges to contract terms and conditions;

(3) Document the timeliness and acceptance or rejection of deliverables and initiate appropriate action to enforce the Contract terms; and

(4) Evaluate and document compliance with Contract requirements on a periodic basis during the term of the Contract and submit to the CPO.

(c) CPO's duties:

(1) Create uniform evaluation forms for use by Contract Managers, to evaluate the extent to which the Contractor satisfied the Contract terms;

(2) Establish appropriate procedures to ensure that evaluations are utilized in determining whether a Bidder or Proposer is Responsible; provided, however, that evaluations made only within the past three years shall be considered;

(3) Assist Using Agencies in obtaining training through the National Contract Managers Association, Institute of Supply Management or National Institute of Government Purchasing standards, for Contract Managers.

DIVISION 10. INVOICES FOR SERVICES RENDERED

Sec. 34-310. Invoices required for all service Contracts.

(a) *Work Performed.* All Contracts for Professional and Consulting Services, regardless of compensation structure, shall contain a provision requiring the Contractor to maintain and submit for review upon request by the Using Agency, itemized records indicating the dates that services were provided, a detailed description of the work performed on each such date, and the amount of time spent performing work on each such date.

(b) *Expenses.* Contracts for Professional and Consulting Services shall also require Contractors to submit documentation of the types and amounts of

expenses incurred related to the work performed if the Contractor seeks reimbursement for any such expenses incurred.

(c) *Invoice Documentation.* All Contracts for ~~Professional and Consulting~~ Services, regardless of compensation structure, shall contain a provision requiring the Contractor to submit itemized records indicating the dates or time period in which the services being invoiced were provided, a detailed description of the work performed for the time period being invoiced and the amount of time spent performing work for the time period in question. In addition, all Contracts for ~~Professional and Consulting~~ Services that are procured as Sole Source must also contain a provision requiring the Contractor to submit itemized records indicating the dates that services were provided, a detailed description of the work performed on each such date, and the amount of time spent performing work on each such date.

(ed) *Payment.* All Contracts for ~~Professional and Consulting~~ Services shall further require that the itemized work and expense records required in 34-310 (b) and (c) be submitted to the Using Agency with the Contractor's invoice as a condition of payment for any ~~Professional and Consulting~~ Services rendered.

Sec. 34-311. No payment prior to submission of invoice.

The Comptroller shall not issue a payment to any Contractor providing ~~Professional and Consulting~~ Services who has not submitted the requisite invoice with work and expense records unless the Contractor has been approved for advance payment per the Contract. The Comptroller shall not issue an advance payment to any Contractor providing ~~Professional and Consulting~~ Services unless the invoice includes written authorization from the Using Agency documenting the contractual basis for the advance payment. Contractors approved for advance payment shall be required to submit invoices providing work and expense records as described above in Section 34-310 on at least a monthly basis.

BE IT FURTHER ORDAINED by the Cook County Board of Commissioners, that Chapter 32 Fees, Section 32-1 of the Cook County Code is hereby amended as follows:

| | Description | Fees, Rates, Charges (in dollars) |
|-----------|--------------------------------------|------------------------------------------|
| 34-283(a) | M/WBE Certification Fee | \$2050.00 |
| 34-283(b) | M/WBE Recertification Fee | \$100.00 |
| 34-283(e) | "No Change" Affidavit Processing Fee | \$50.00 |

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This amendment shall be effective immediately upon passage.

Chairman Daley asked the Secretary of the Board to call upon the registered public speakers, in accordance with Cook County Code, Sec. 2-107(dd).

1. Mary Kay Minaghan – Women Construction Owners and Executives
2. George Blakemore – Concerned Citizen

Commissioner Butler, seconded by Commissioner Suffredin, moved to Defer Communication No. 318664. Commissioner Steele called for a roll call, the vote of yeas and nays being as follows:

**Roll Call on Motion to Defer the Proposed Amendment
to (Communication No. 318664)**

Yea: **Commissioners Butler and Suffredin (2)**

Nay: **Chairman Daley, Commissioners Gainer, Garcia, Gorman, Murphy, Silvestri, Steele and Tobolski (8)**

Absent: **Vice Chairman Sims, Commissioners Beavers, Collins, Fritchey, Goslin, Reyes and Schneider (7)**

The motion to Defer the Proposed Amendment to (Communication No. 318664) Failed.

Commissioner Garcia, seconded by Commissioner Tobolski, moved to Approve Communication No. 318664 as Amended. The motion carried, and the Proposed Amendment to the Cook County MBE/WBE Ordinance was approved and adopted, as amended.

Commissioner Butler voted No on Communication No. 318664.

318990 Submitting a Proposed Ordinance sponsored by TONI PRECKWINKLE, President, JOHN P. DALEY, JOAN P. MURPHY, ROBERT B. STEELE, JESUS GARCIA, LARRY SUFFREDIN, and JEFFREY R. TOBOLSKI, County Commissioners.

Transmitting a Communication dated June 24, 2012 from Tariq G. Malhance, Chief Financial Officer, respectfully submitting a Proposed Ordinance providing for the issuance of Sales Tax Revenue Bonds, Series 2012, for your approval.

PROPOSED ORDINANCE

AN ORDINANCE providing for the issuance of Sales Tax Revenue Bonds, Series 2012, of the County of Cook, Illinois; the approval, execution, and delivery of a Master Trust Indenture and of a First Supplemental Indenture; and providing for other matters in connection with the issuance of the Series 2012 Bonds.

Communication No. 318990 was amended by errata at the Board of Commissioners meeting of July 10, 2012. The complete text of this item is available on the website of the Secretary to the Board, <http://blog.cookcountyl.gov/secretarytotheboard/>

***Referred to the Committee on Finance on 7/10/12.**

Commissioner Garcia, seconded by Commissioner Steele, moved Approval of Communication No. 318990.

Commissioner Garcia, seconded by Commissioner Steele, moved to further amend Communication No. 318990. The motion carried, and Communication No. 318990 was amended, as follows:

AMENDMENT TO COMMUNICATION NO. 318990

Before the

**FINANCE COMMITTEE OF THE COOK COUNTY BOARD OF COMMISSIONERS
MEETING ON JULY 23, 2012**

Sponsored by

THE HONORABLE JOHN P. DALEY, CHAIRMAN

AN ORDINANCE providing for the issuance of Sales Tax Revenue Bonds, Series 2012, of the County of Cook, Illinois; the approval, execution and delivery of a Master Trust Indenture and of a First Supplemental Indenture; and providing for other matters in connection with the issuance of the Series 2012 Bonds

WHEREAS, pursuant to Section 6(a) of Article VII of the 1970 Constitution of the State of Illinois (the “Illinois Constitution”), the County of Cook, Illinois (the “County”) is a home rule unit of local government and as such may exercise any power and perform any function pertaining to its government and affairs, including, but not limited to, the power to tax and to incur debt; and

WHEREAS, the County may also exercise powers relating to the power to tax and to incur debt pursuant to the Counties Code, as supplemented and amended by the Local Government Debt Reform Act of the State of Illinois (collectively, the “Act”); and

WHEREAS, the Board of Commissioners of the County (the “Corporate Authorities”) has not adopted any ordinance, resolution, order or motion or provided any County Code provisions which restrict or limit the exercise of the home rule powers of the County in the issuance of sales tax revenue bonds for corporate purposes or which otherwise provide any special rules or procedures for the exercise of such powers; and

WHEREAS, it is in the best interests of the inhabitants of the County and necessary for the welfare of the government and affairs of the County to provide for financing surface transportation and highway improvements, including, but not limited to, arterial street and

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highway construction and resurfacing, bridge and other structural improvements and repairs, traffic signal modernization, new traffic signal installation and median construction (collectively, the “Series 2012 Project”); and

WHEREAS, the specific transportation and highway improvement projects initially constituting the Series 2012 Project are as set forth on Exhibit A to this Ordinance; and

WHEREAS, the costs of the Series 2012 Project are estimated to be not less than One Hundred Million Dollars (\$100,000,000); and

WHEREAS, the Corporate Authorities have determined that it is advisable and necessary to authorize the issuance of County of Cook, Illinois, Sales Tax Revenue Bonds, Series 2012 (the “Series 2012 Bonds”) for the following purposes: (i) paying a portion of the costs of the Series 2012 Project; (ii) capitalizing interest payable on the Series 2012 Bonds to the extent determined to be necessary as provided herein; (iii) funding a debt service reserve fund for the Series 2012 Bonds to the extent determined to be necessary as provided herein; and (iv) paying the expenses of issuing the Series 2012 Bonds; and

WHEREAS, the County, by virtue of its constitutional home rule powers and all laws applicable thereto has the power to issue the Series 2012 Bonds and such borrowing is for a proper public purpose and in the public interest; and

WHEREAS, the Corporate Authorities have determined that in connection with the issuance of the Series 2012 Bonds it is advisable and necessary to authorize the execution and delivery of a master trust indenture (the “Master Indenture”), and one or more supplemental trust indentures (collectively, the “First Supplemental Indenture”); and

WHEREAS, while the Series 2012 Bonds will be secured by and payable from Pledged Sales Tax Revenues, as defined and described in the Master Indenture, the County expects to use moneys allotted to the County from the State Motor Fuel Tax Fund, as provided in Section 8 of the Motor Fuel Tax Law (35 ILCS 505/1 et seq, as amended) (the “County Motor Fuel Tax Revenues”), to reimburse itself for all or portions of such Pledged Sales Tax Revenues as are applied to pay debt service on the Series 2012 Bonds, with such reimbursement subject to approval by the Illinois Department of Transportation (“IDOT”) pursuant to the provisions of Division 7 of Article 5 of the Illinois Highway Code (605 ILCS 1/1-101 et seq, as amended); and

WHEREAS, the County wishes to request approval from IDOT to apply County Motor Fuel Tax Revenues for the purposes described in the prior preamble.

NOW THEREFORE BE IT ORDAINED, by the Board of Commissioners of the County of Cook, Illinois, as follows:

Section 1. Findings. The Corporate Authorities hereby find that all of the recitals contained in the preambles to this Ordinance are full, true and correct and do hereby incorporate them into this Ordinance by this reference. It is hereby found and determined that the Corporate Authorities have been authorized by law to issue the Series 2012 Bonds to pay the costs of the Series 2012 Project. It is hereby found and determined that such borrowing of money pertains to the government and affairs of the County, is necessary for the welfare of the government and affairs of the County, is for a proper public purpose or purposes and is in the public interest, and is authorized pursuant to the Act; and these findings and determinations shall be deemed conclusive.

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The issuance of the Series 2012 Bonds is authorized by the Illinois Constitution and the Act and the Series 2012 Bonds shall be issued pursuant to the Illinois Constitution and the Act.

Section 2. Issuance of the Series 2012 Bonds.

- (a) There shall be authorized the issuance of the Series 2012 Bonds in the aggregate principal amount of not to exceed One Hundred Twenty-five Million Dollars (\$125,000,000) plus an amount equal to the amount of any original issue discount used in the marketing of the Series 2012 Bonds (not to exceed ten percent (10%) of the principal amount thereof) for the purposes described in the preambles to this Ordinance. The Series 2012 Bonds may be issued from time to time in said aggregate principal amount, or such lesser aggregate principal amount as may be determined by the Chief Financial Officer of the County (it being hereby expressly provided that in the event of a vacancy in the office of Chief Financial Officer or the absence or temporary or permanent incapacity of the Chief Financial Officer, the officer so designated by the President shall be authorized to act in the capacity of the Chief Financial Officer for all purposes of this Ordinance). Each of the Series 2012 Bonds shall be designated "Sales Tax Revenue Bonds, Series 2012", with such additions, modifications or revisions as shall be determined to be necessary by the Chief Financial Officer at the time of the sale and having any other authorized features determined by the Chief Financial Officer as desirable to be reflected in the title of the Series 2012 Bonds.
- (b) The Bonds shall be issued and secured pursuant to the terms and provisions of the Master Trust Indenture, the First Supplemental Indenture but within the limitations prescribed in this Ordinance. The Master Trust Indenture and the First Supplemental Indenture are both to be entered into between the County and such trustee having its principal corporate trust office located within the County (the "Trustee") as shall be selected by the President or the Chief Financial Officer. The President and the Chief Financial Officer are each hereby authorized to execute and deliver the Master Trust Indenture, and the First Supplemental Indenture on behalf of the County, such Master Trust Indenture to be in substantially the form attached hereto as Exhibit B, and such First Supplemental Indenture to be in substantially the form attached hereto as Exhibit C, and each is made a part hereof and hereby approved with such changes therein as shall be approved by the President or Chief Financial Officer executing the same, with such execution to constitute conclusive evidence of their approval and the Corporate Authorities' approval of any changes or revisions therein from the form attached hereto. All capitalized terms used in this Ordinance without definition shall have the meanings assigned to such terms in the Master Trust Indenture, or the First Supplemental Indenture. The President and the Chief Financial Officer are each hereby authorized to act as an Authorized Officer for the purposes provided in the Master Trust Indenture, and the First Supplemental Indenture.
- (c) The Master Trust Indenture shall set forth such covenants with respect to the imposition and application of the Pledged Sales Tax Revenues as shall be deemed necessary by the Chief Financial Officer in connection with the sale of the Series 2012 Bonds. The Series 2012 Bonds shall be executed by the officers of the County and prepared in the form as provided in the First Supplemental Indenture, with such changes therein as shall be approved by the President or the Chief Financial Officer executing the same, with such execution to constitute conclusive evidence of their approval and the Corporate Authorities' approval of any changes or revisions therein from the form attached thereto.
- (d) The principal of the Series 2012 Bonds shall become due and payable on or before the later of: (i) November 15, 2042 or (ii) the date which 30 years after the date of issuance of the Series

2012 Bonds. The Series 2012 Bonds shall be dated no earlier than August 1, 2012 and not later than the date of issuance thereof, as shall be provided in the First Supplemental Indenture (any such date for any Bonds being the "Dated Date"). The Series 2012 Bonds that are Current Interest Bonds shall bear interest at a rate or rates not to exceed seven percent (7%) per annum as determined by the Chief Financial Officer at the time of the sale thereof. The Series 2012 Bonds that are Capital Appreciation Bonds or Capital Appreciation and Income Bonds shall have yields to maturity (as defined below) not to exceed seven percent (7%) per annum as determined by the Chief Financial Officer at the time of the sale thereof. Each Series 2012 Bond that is a Capital Appreciation Bond or a Capital Appreciation and Income Bond shall bear interest from its date at the rate per annum compounded semiannually on each May 15 and November 15, commencing on such May 15 or November 15 as determined by the Chief Financial Officer at the time of sale thereof that will produce the yield to maturity identified therein until the maturity date thereof (the "Yield to Maturity"). Interest on the Series 2012 Bonds that are Capital Appreciation Bonds shall be payable only at the respective maturity dates thereof. Interest on the Series 2012 Bonds that are Capital Appreciation and Interest Bonds shall be payable only on Interest Payment Dates occurring after the Interest Commencement Date.

(e) The Series 2012 Bonds may be issued as Fixed Rate or Variable Rate Bonds as provided in the First Supplemental Indenture, all as determined by the Chief Financial Officer at the time of the sale thereof. Interest rates on Variable Rate Bonds shall be established as provided in the definition of Variable Rate Bonds in the Master Trust Indenture and specified Series 2012 Bonds issued as Variable Rate Bonds may bear interest at rates that differ from the rates borne by other Series 2012 Bonds issued as Variable Rate Bonds and may have different optional and mandatory tender and purchase provisions. Any Series 2012 Bond that initially bears interest at a Variable Rate may thereafter bear such other interest rate or rates as may be established in accordance with the provisions of the related supplemental indenture.

(f) The Series 2012 Bonds shall be redeemable prior to maturity at the option of the County, in whole or in part on any date, at such times and at such redemption prices (to be expressed as a percentage of the principal amount of Series 2012 Bonds that are Current Interest Bonds being redeemed and expressed as a percentage of the Accrued Amount of Series 2012 Bonds that are Capital Appreciation Bonds being redeemed) not to exceed one hundred three percent (103%), plus, in the case of Series 2012 Bonds that are Current Interest Bonds, accrued interest to the date of redemption, all as shall be determined by the Chief Financial Officer at the time of the sale thereof. Certain of the Series 2012 Bonds may be made subject to sinking fund redemption, at par and accrued interest to the date fixed for redemption, as determined by the Chief Financial Officer at the time of the sale thereof; *provided* that the Series 2012 Bonds shall reach final maturity not later than the date set forth in Section 2(d) hereof.

(g) Each Series 2012 Bond that is a Current Interest Bond shall bear interest (computed upon the basis of a three hundred sixty (360) day year of twelve (12) thirty (30) day months) payable on the fifteenth days of May and November of each year, commencing on such May 15 and November 15 as determined by the Chief Financial Officer at the time of the sale thereof.

(h) The Series 2012 Bonds may be issued in either certificated or book-entry only form as determined by the Chief Financial Officer. In connection with the issuance of Series 2012 Bonds in book-entry only form, the Chief Financial Officer is authorized to execute and deliver a representation letter to the book-entry depository selected by the Chief Financial Officer in substantially the form previously used in connection with obligations issued by the County in book-entry form.

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Section 3. Sale of the Series 2012 Bonds; Bond Order; Financing Team; Execution of Documents Authorized; Undertakings; Offering Materials; Credit Facilities; ISDA Documents.

(a) The Chief Financial Officer is hereby authorized to sell all or any portion of the Series 2012 Bonds to the Underwriters described in Section 3(c) below, from time to time, and in one or more series, on such terms as he or she may deem to be in the best interests of the County; *provided* that the Series 2012 Bonds shall not be sold at a purchase price that is less than ninety-eight percent (98%) of the par amount of the Series 2012 Bonds (but exclusive of any net original issue discount used in the marketing of the Series 2012 Bonds, which shall not exceed 10% of the principal amount thereof), plus accrued interest, if any, on the Series 2012 Bonds from their Dated Date to the date of their issuance. Nothing contained in this Ordinance shall limit the sale of the Series 2012 Bonds, or any maturity or maturities thereof, at a price or prices in excess of the principal amount thereof.

(b) All or any portion of the Bonds may be issued as (i) bonds on which the interest paid and received is excludable from the gross income of the owners thereof for federal income tax purposes under the Internal Revenue Code of 1986, as amended (the “Code”) (except to the extent that such interest is taken into account in computing an adjustment used in determining the alternative minimum tax for certain corporations) (“Tax-Exempt Bonds”); or (ii) bonds on which the interest paid and received is not excludable from the gross income of the owners thereof for federal income tax purposes under the Code (“Taxable Bonds”). The Chief Financial Officer may elect to use such title or designation as he or she shall deem appropriate to reflect the federal tax status of interest paid and received with respect to the Series 2012 Bonds as either Tax-Exempt or Taxable.

(c) The selection of the following party or parties in the capacity as indicated is hereby expressly approved in connection with the issuance and sale of the Series 2012 Bonds:

| <u>Capacity</u> | <u>Party or Parties</u> |
|--------------------------|---------------------------|
| Senior Manager | Wells Fargo Bank, N. A. |
| Co-Senior Manager | Rice Financial Products |
| Co-Managers | Ramirez & Co., Inc. |
| | JP Morgan Securities LLC |
| | BMO Capital Markets |
| | PNC Capital Markets LLC |
| | George K. Baum & Company |
| Bond Counsel | Mayer Brown LLP |
| Co-Bond Counsel | Charity & Associates P.C. |
| Financial Advisor | A.C. Advisory, Inc. |
| Underwriters’ Counsel | Ungaretti & Harris LLP |
| Co-Underwriters’ Counsel | Greene and Letts |

The President and the Chief Financial Officer are hereby expressly authorized and directed to select the Trustee, their selection thereof to constitute approval by the Corporate Authorities without further official action by or direction from the Corporate Authorities. The Trustee shall be a bank or corporate trust company having fiduciary powers.

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(d) Subsequent to the sale of the Series 2012 Bonds, the Chief Financial Officer shall file in the office of the County Clerk a Bond Order, with a copy of the executed Master Trust Indenture and the First Supplemental Indenture each attached and directed to the Corporate Authorities identifying: (i) the aggregate principal amount of the Series 2012 Bonds sold and the purchase price at which the Series 2012 Bonds were sold; (ii) the principal amount of the Series 2012 Bonds maturing and subject to mandatory redemption in each year; (iii) the optional redemption provisions applicable to the Series 2012 Bonds; (iv) the interest rate or rates payable on the Series 2012 Bonds; (v) the amount of the Series 2012 Bonds being sold as Capital Appreciation Bonds, Capital Appreciation and Interest Bonds or Current Interest Bonds; (vi) the amount of Series 2012 Bonds being sold as Variable Rate Bonds; (vii) the Dated Date of the Series 2012 Bonds; (viii) the identity of any municipal bond insurer and of any provider of a debt service reserve fund surety bond; (ix) the identity of any provider of a Credit Facility; (x) the federal income tax status of the Series 2012 Bonds are either Tax Exempt or Taxable; (xi) the terms of any Qualified Swap Agreement, including the identify of any Swap Provider; (xii) the identity of any remarketing agent; (xiii) the information regarding the title and designation of the Series 2012 Bonds; together with (xiv) any other matter authorized by this Ordinance to be determined by the Chief Financial Officer at the time of sale of the Series 2012 Bonds, and thereafter the Series 2012 Bonds so sold shall be duly prepared and executed in the form and manner provided herein and delivered to the respective Underwriters in accordance with the terms of sale.

(e) The President, the Chief Financial Officer or any other officer, official or employee of the County so designated by a written instrument signed by the President or the Chief Financial Officer and filed with the Trustee (a "Designated Officer") are hereby authorized to execute such documents, with appropriate revisions to reflect the terms and provisions of the Series 2012 Bonds as authorized by this Ordinance and such other revisions in text as the President or the Chief Financial Officer shall determine are necessary or desirable in connection with the sale of the Series 2012 Bonds, to effect the issuance and delivery and maintenance of the status of the Series 2012 Bonds, including but not limited to:

(i) the contract of purchase (the "Purchase Contract") by and between the County and the Underwriters, which Purchase Contract shall be in form acceptable to the Chief Financial Officer and as customarily entered into by the County;

(ii) the continuing disclosure undertaking (the "Continuing Disclosure Undertaking"), as approved by the Chief Financial Officer to effect compliance with Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, with such revisions as are deemed appropriate to reflect the issuance of the Series 2012 Bonds as bonds secured by Pledged Sales Tax Revenues;

(iii) such certification, tax returns and documentation as may be required by Bond Counsel, including, specifically, a tax agreement, to render their opinion as to the Tax Exempt status of Series 2012 Bonds; and

The execution thereof by such Designated Officers is hereby deemed conclusive evidence of approval thereof with such changes, additions, insertions, omissions or deletions as such officers may determine, with no further official action of or direction by the Corporate Authorities.

(f) When the Continuing Disclosure Undertaking is executed and delivered on behalf of the County, it will be binding on the County and the officers, agents, and employees of the County, and the same are hereby authorized and directed to do all such acts and things and to execute all

such documents as may be necessary to carry out and comply with the provisions of such Continuing Disclosure Undertaking as executed and delivered. Notwithstanding any other provisions hereof, the sole remedies for failure to comply with any Continuing Disclosure Undertaking shall be the ability of the beneficial owner of any Series 2012 Bond to seek mandamus or specific performance by court order, to cause to the County to comply with its obligations thereunder.

(g) Offering Materials. The preparation, use and distribution of a preliminary official statement and an official statement relating to the sale and issuance of the Series 2012 Bonds are hereby authorized and approved. The President and Chief Financial Officer are each hereby authorized to execute and deliver an official statement relating to the sale and issuance of the Series 2012 Bonds on behalf of the County, in substantially the form previously used by the County with such revisions as the President or the Chief Financial Officer shall determine are necessary or required in connection with the sale of the Series 2012 Bonds.

(h) In connection with the sale of the Series 2012 Bonds, if determined by the President or the Chief Financial Officer to be in the best financial interest of the County, the Chief Financial Officer is authorized to procure one (1) or more municipal bond insurance policies covering all or a portion of the Series 2012 Bonds and to procure one (1) or more debt service reserve fund surety bonds for deposit into the Series 2012 Debt Service Reserve Subaccount.

(i) In connection with the sale of the Series 2012 Bonds, the President or the Chief Financial Officer is hereby authorized to obtain a Credit Facility with one or more financial institutions. The President or the Chief Financial Officer is hereby authorized to enter into a reimbursement agreement and to execute and issue a promissory note in connection with the provisions of each Credit Facility. Any Credit Facility and any reimbursement agreement shall be in substantially the form of the credit facilities and reimbursement agreements previously entered into by the County in connection with the sale of general obligation bonds or notes, but with such revisions in text as the President or the Chief Financial Officer shall determine are necessary or desirable, the execution thereof by the President or the Chief Financial Officer to evidence the approval by the Corporate Authorities of all such revisions. The annual fee paid to any financial institution that provides a Credit Facility shall not exceed two percent (2.00%) of the average principal amount of such Series 2012 Bonds outstanding during such annual period. The final form of reimbursement agreement entered into by the County with respect to the Series 2012 Bonds shall be attached to the Bond Order filed with the County Clerk pursuant to this Section. Any promissory or similar note delivered in connection with any such reimbursement agreement shall mature not later than the final maturity date of the Bonds and each such promissory or similar note shall bear interest at a rate not exceeding 15 (fifteen) percent per annum. The President or the Chief Financial Officer is hereby authorized to execute and deliver each such reimbursement agreement.

(j) In connection with the sale of the Series 2012 Bonds, the President or the Chief Financial Officer is hereby authorized to execute and deliver from time to time one or more "Qualified Swap Agreements" (as defined in the Master Indenture) with Swap Providers (as defined in the Master Indenture) selected by the Chief Financial Officer. The stated aggregate notional amount under all such agreements authorized hereunder shall not exceed the principal amount of the Series 2012 Bonds issued hereunder (net of offsetting transactions entered into by the County). Any such agreement to the extent practicable shall be in substantially the form of either the Local Currency - Single Jurisdiction version or the Multicurrency-Cross Border version of the 1992 ISDA Master Agreement accompanied by the U.S. Municipal Counterparty Schedule published

by the International Swap Dealers Association (the "ISDA") or any successor form to be published by the ISDA, and in the appropriate confirmations of transactions governed by that agreement, with such insertions, completions and modifications thereof as shall be approved by the officer of the County executing the same, his or her execution to constitute conclusive evidence of the Corporate Authorities' approval of such insertions, completions and modifications thereof. Amounts payable by the County under any such agreement (being "Swap Payments") shall constitute operating expenses of the County payable from any moneys, revenues, receipts, income, assets or funds of the County available for such purpose or be payable from the sources pledged to the payment of the Series 2012 Bonds, as the Chief Financial Officer may from time to time determine. Such amounts shall not constitute an indebtedness of the County for which its full faith and credit is pledged. Nothing contained in this Section shall limit or restrict the authority of the President or the Chief Financial Officer to enter into similar agreements pursuant to prior or subsequent authorization of the Corporate Authorities.

(k) In connection with the sale of any Series 2012 Bonds issued as Variable Rate Bonds, the President or the Chief Financial Officer is hereby authorized to execute and deliver a Remarketing Agreement relating to the Series 2012 Bonds in substantially the form previously used for similar financings of the County, with appropriate revisions in text as the President or the Chief Financial Officer shall determine are necessary or desirable, the execution thereof by the President or the Chief Financial Officer to evidence the approval by the Corporate Authorities of all such revisions. The President or the Chief Financial Officer is hereby delegated the authority to appoint a remarketing agent with respect to the Series 2012 Bonds in the manner provided in the First Supplemental Indenture.

Section 4. Alternative Allocation of Proceeds of Series 2012 Bonds. The County by its Corporate Authorities reserves the right, as it becomes necessary from time to time, to change the purposes of expenditure of the Series 2012 Bonds, to change priorities, to revise cost allocations among expenditures and to substitute projects, in order to meet current needs of the County; subject, however, to the provisions of the Act and to the tax covenants of the County relating to the Tax Exempt status of interest on Tax Exempt Bonds and further subject to the provisions of the Master Indenture, and the First Supplemental Indenture regarding amendments thereto. To the extent any action of the County described in the prior sentence is proposed to be taken with respect to the proceeds of Tax Exempt Bonds, it shall be conditioned on receipt by the County of an Opinion of Bond Counsel to the effect that such action shall not cause the interest on such Bonds to become subject to federal income taxation.

Section 5. Reimbursement. None of the proceeds of the Tax Exempt Bonds will be used to pay, directly or indirectly, in whole or in part, for an expenditure that has been paid by the County prior to the date hereof except architectural, engineering costs or construction costs incurred prior to commencement of the Series 2012 Project or expenditures for which an intent to reimburse was properly declared under Treasury Regulations Section 1.150-2. This Ordinance is in itself a declaration of official intent under Treasury Regulations Section 1.150-2 as to all costs of the Series 2012 Project paid after the date hereof and prior to issuance of the Series 2012 Bonds.

Section 6. Tax Covenant. With respect to any Tax Exempt Bonds, the County covenants to take any action required by the provisions of Section 148(f) of the Code in order to assure compliance with Section 709 of the Master Indenture. Nothing contained in this Ordinance shall limit the ability of the County to issue all or a portion of the Series 2012 Bonds as bonds the interest on which will be includable in the gross income of the owners thereof for federal income

tax purposes under the Code if determined by the Chief Financial Officer to be in the best interest of the County.

Section 7. Use of County Motor Fuel Tax Revenues. The Chief Financial Officer is hereby authorized to submit to IDOT a request for approval by IDOT (the "IDOT Request") of the County's right to apply County Motor Fuel Tax Revenues as reimbursement for all or portions of the Pledged Sales Tax Revenues as are applied to pay debt service on the Series 2012 Bonds to finance the Series 2012 Project. This Ordinance shall constitute the resolution required by Section 5-403 of the Illinois Highway Code for the IDOT Request. The County Superintendent of Highways (the "Superintendent") shall submit a certified copy of this Ordinance, together with all Exhibits, to IDOT and the Superintendent and the Chief Financial Officer are authorized to provide IDOT with such additional documents or information as shall be requested by IDOT in connection with the IDOT Request.

Section 8. Performance Provisions. The President, the Chief Financial Officer, the County Clerk, for and on behalf of the County shall be, and each of them hereby is, authorized and directed to do any and all things necessary to effect the performance of all obligations of the County under and pursuant to this Ordinance, the Master Indenture, and the First Supplemental Indenture, and the performance of all other acts of whatever nature necessary to effect and carry out the authority conferred by this Ordinance, the Master Indenture, and the First Supplemental Indenture, including but not limited to, the exercise following the delivery date of any of the Series 2012 Bonds of any power or authority delegated to such official of the County under this Ordinance with respect to the Series 2012 Bonds upon the initial issuance thereof, but subject to any limitations on or restrictions of such power or authority as herein set forth. The President, the Chief Financial Officer, the County Clerk and other officers, agents and employees of the County are hereby further authorized, empowered and directed for and on behalf of the County, to execute and deliver all papers, documents, certificates and other instruments that may be required to carry out the authority conferred by this Ordinance, the Master Indenture and the First Supplemental Indenture or to evidence said authority.

Section 9. Proxies. The President and the Chief Financial Officer may each designate another to act as their respective proxy and to affix their respective signatures to, in the case of the President, each of Series 2012 Bonds, whether in temporary or definitive form, and to any other instrument, certificate or document required to be signed by the President or the Chief Financial Officer pursuant to this Ordinance, the Master Indenture, and the First Supplemental Indenture. In each case, each shall send to the County Board written notice of the person so designated by each, such notice stating the name of the person so selected and identifying the instruments, certificates and documents which such person shall be authorized to sign as proxy for the President and the Chief Financial Officer, respectively. A written signature of the President or the Chief Financial Officer, respectively, executed by the person so designated underneath, shall be attached to each notice. Each notice, with signatures attached, shall be filed with the County Clerk. When the signature of the President is placed on an instrument, certificate or document at the direction of the President in the specified manner, the same, in all respects, shall be as binding on the County as if signed by the President in person. When the signature of the Chief Financial Officer is so affixed to an instrument, certificate or document at the direction of the Chief Financial Officer, the same, in all respects, shall be binding on the County as if signed by the Chief Financial Officer in person.

Section 10. This Ordinance a Contract. The provisions of this Ordinance shall constitute a contract between the County and the registered owners of the Series 2012 Bonds, and no changes,

additions or alterations of any kind shall be made hereto, except as herein provided. This Ordinance shall be construed in accordance with the provisions of State law without reference to its conflict of law principles.

Section 11. Prior Inconsistent Proceedings. All ordinances, resolutions, motions or orders, or parts thereof, in conflict with the provisions of this Ordinance, are to the extent of such conflict hereby repealed.

Section 12. Immunity of Officers and Employees of County. No recourse shall be had for the payment of the principal of or premium or interest on any of the Bonds or for any claim based thereon or upon any obligation, covenant or agreement in this Ordinance contained against any past, present or future elected or appointed officer, director, member, employee or agent of the County, or of any successor public corporation, as such, either directly or through the County or any successor public corporation, under any rule of law or equity, statute or constitution or by the enforcement of any assessment or penalty or otherwise, and all such liability of any such elected or appointed officers, directors, members, employees or agents as such is hereby expressly waived and released as a condition of and consideration for the passage of this Ordinance and the issuance of such Series 2012 Bonds.

Section 13. Passage and Approval. Presented, Passed, Approved and Recorded by the County of Cook, Illinois, a home rule unit of government, this 24th day of July, 2012.

Section 14. Effective Date. This Ordinance shall take effect immediately upon its enactment.

Exhibits "A", "B" and "C" referred to in this Ordinance read as follows:

Exhibit A: Proposed Highway Department Capital Plan, 2012-2014

Exhibit B: Master Trust Indenture

Exhibit C: First Supplemental Trust Indenture

Approved and adopted this 23th day of July 2012.

TONI PRECKWINKLE, President
Cook County Board of Commissioners

Attest: DAVID ORR, County Clerk

Chairman Daley entered into the record a letter of inquiry to Tariq Malhance, Chief Financial Officer, along with a letter from Mr. Malhance containing his reply.

Commissioner Garcia, seconded by Commissioner Steele, moved Approval of Communication No. 318990, as amended. The motion carried, and the Proposed Ordinance providing for the issuance of Sales Tax Revenue Bonds, Series 2012, was approved and adopted, as amended.

319031 Transmitting a Communication, dated July 6, 2012 from

THOMAS J. DART, Sheriff of Cook County

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by
ALEXIS HERRERA, Chief Financial Officer, Cook County Sheriff's Office
and
MARIA DE LOURDES COSS, Chief Procurement Officer

Requesting authorization for the Chief Procurement Officer to enter into and execute a contract with CBM Managed Services, Sioux Falls, South Dakota, for Food Service for the Cook County Department of Corrections, Sheriff's Women's Justice Programs, Boot Camp, Department of Reentry and Diversion and Court Services.

Reason: On October 17, 2011, a Request for Proposal was issued for Food Service Management for the Cook County Sheriff's Office. The RFP process was followed in accordance with the Cook County Procurement Code. Proposals were received on November 30, 2011 and an evaluation process was conducted based on the evaluation criteria outlined in the RFP document. It was determined that CBM Managed Services offered the best value. Upon board approval, the contract will be assigned to CBM Premier Management LLC as indicated in their proposal. This will strengthen the local participation within the structure of the team.

In addition CBM Managed Services also provided revenue opportunities for both Cook County General Funds and Inmate Welfare Funds.

Estimated Fiscal Impact: \$38,360,583.23. 212-223 \$869,998.17; 230-231 \$179,088.00; 235-223 \$1,440,752.04; 236-223 \$1,753,233.45; 239-223 \$34,117,511.57 Accounts. Contract period: Thirty-Six months with three (3) additional one-year renewal options.

Approval of this item would commit Fiscal Years 2013, 2014, 2015 funds.

***Referred to the Committee on Finance on 7/10/12.**

Commissioner Garcia, seconded by Commissioner Suffredin moved to Approve Communication No. 319031.

Chairman Daley asked the Secretary of the Board to call upon the registered public speaker, in accordance with Cook County Code, Sec. 2-107(dd).

1. Richard Prendergast, Attorney representing Aramark, LLC

Commissioner Murphy, seconded by Commissioner Gorman moved to Defer Communication No. 319031 to the Finance Committee Meeting of September 10, 2012. Commissioner Tobolski called for a roll call, the vote of yeas and nays being as follows:

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**Roll Call on Motion to Defer Communication No. 319031
to the Finance Committee Meeting of September 10, 2012.**

Yeas: Commissioners Gainer, Gorman, Murphy, Silvestri and Steele (5)

Nays: Chairman Daley, Commissioners Butler, Garcia, Suffredin and Tobolski (5)

Absent: Vice Chairman Sims, Commissioners Beavers, Collins, Fritchey, Goslin, Reyes and Schneider (7)

The motion to Defer Communication No. 319031 Failed.

**Roll Call on Motion to Approve
Communication No. 319031**

Yeas: Commissioners Butler, Garcia, Suffredin and Tobolski (4)

Nays: Commissioners Gainer, Gorman, Murphy, Silvestri and Steele (5)

Present: Chairman Daley (1)

Absent: Vice Chairman Sims, Commissioners Beavers, Collins, Fritchey, Goslin, Reyes and Schneider (7)

The motion to Approve Communication No. 319031 Failed.

Chairman Daley recessed the meeting to Tuesday, July 24, 2012 at 10:00 a.m.

Chairman Daley reconvened the recessed meeting of July 23, 2012, on Tuesday, July 24, 2012 at 10:00 a.m.

Commissioner Steele, seconded by Commissioner Suffredin moved to reconsider the vote by which Communication No. 319031 was not recommended for Approval. The motion carried on a voice vote.

Commissioner Steele, seconded by Commissioner Suffredin moved to Approve Communication No. 319031. A roll call vote was requested and the vote of yeas and nays being as follows:

**Roll Call on Motion to Approve
Communication No. 319031**

Yeas: Vice Chairman Sims, Commissioners Beavers, Butler, Gainer, Garcia, Gorman, Goslin, Reyes, Schneider, Silvestri, Steele, Suffredin and Tobolski (13)

Nays: Commissioner Murphy (1)

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Present: **Chairman Daley and Commissioner Fritchey (2)**

Absent: **Commissioner Collins (1)**

The motion carried and Communication No. 319031 was Approved.

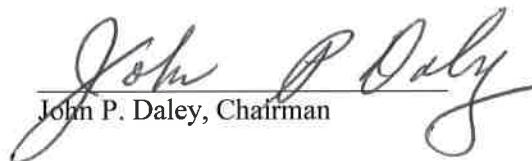
Commissioner Beavers, seconded by Vice Chairman Sims moved to reconsider the vote by which Communication No. 319031 was approved. The motion failed.

Commissioner Silvestri, seconded by Vice Chairman Sims, moved to adjourn. The motion carried and the meeting was adjourned.

**YOUR COMMITTEE RECOMMENDS THE FOLLOWING ACTION
WITH REGARD TO THE MATTERS NAMED HEREIN:**

| | |
|-----------------------------|--------------------|
| Communication Number 318664 | Approve as amended |
| Communication Number 318990 | Approve as amended |
| Communication Number 319031 | Approved |

Respectfully submitted,
Committee on Finance



John P. Daley, Chairman

Attest:



Matthew B. DeLeon, Secretary

*A video recording of this meeting is available on the Office of the Secretary to the Board's web site on the Video Page at <http://blog.cookcountyl.gov/secretarytotheboard/county-board-proceedings/county-board-video-and-audio/>

118 N. Clark Street, Room 567
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e-mail: john.daley@cookcountylil.gov



JOHN P. DALEY
Chairman
Committee on Finance

**Commissioner – 11th District
Cook County Board of Commissioners**

July 11, 2012

Mr. Tariq Malhance
Chief Financial Officer
118 North Clark Street, Room 1127
Chicago, IL 60602

Dear Mr. Malhance:

Please answer the following questions in reference to Item 11 on the Board Agenda for the Meeting of July 10, 2012.

1. What are the chances of the Illinois Department of Transportation (IDOT) refusing the request to allow Motor Fuel Taxes to reimburse the county for the use of Home Rule Sales Tax revenues to repay the bonds? Will you have an answer before the bonds are sold?
2. Is the current annual Motor Fuel Tax allotment insufficient to do a \$125 million highway capital program? If so, by how much?
3. Will any Cook County property tax pledge be necessary to issue these bonds?
4. What is the principal/interest maturity schedule? Is there any rating agency issue with doing this, in light of the state/county pension issues?

Thank you for your assistance in this matter.

Sincerely,

A handwritten signature in black ink, appearing to read "John P. Daley".

John P. Daley
Finance Chairman

JPD/pw



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THE BOARD OF COMMISSIONERS

TONI PRECKWINKLE

PRESIDENT

| | | | |
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COOK COUNTY
BUREAU OF FINANCE

TARIQ MALHANCE
CHIEF FINANCIAL OFFICER

County Building
118 North Clark Street, Room 1127
Chicago, Illinois 60602-1423
TEL (312) 603-5287
FAX (312) 603-3681
TDD (312) 603-5255

Via Hand Delivery

July 19, 2012

Honorable Commissioner John P. Daley
Chair, Finance Committee
Cook County Board of Commissioners
Room 567, 118 North Clark Street
Chicago, Illinois 60602

Re: Revenue-Bond Initiative for Highway Projects

Dear Commissioner Daley:

With reference to the questions in your letter of July 11, 2012, regarding the above-captioned matter, please find our answers below:

Question: What are the chances of the Illinois Department of Transportation (IDOT) refusing the request to allow Motor Fuel Taxes to reimburse the County for the use of Home Rule Sales Tax revenues to repay the bonds?

Answer: We have conferred with Bond Counsel and Co-Bond Counsel on this matter. At the same time, our colleagues at the Highway Department have conferred with IDOT. Counsel and IDOT have confirmed that the list of projects attached to the subject Ordinance are eligible for MFT funding. They also have confirmed that IDOT has agreed to our proposed approach, under which MFTs would replenish the sales taxes used for the projects. Based on the conversations between IDOT and the Highway Department, we are confident that IDOT will approve the reimbursement.

Question: Is the current annual Motor Fuel Tax allotment insufficient to do a \$125M highway capital program? If so, by how much?

Answer: Motor Fuel Tax revenues are utilized by the County for several purposes, including highways and public safety. The current allotment for the Highway Department would require an extended period of time to fund \$125M in highway capital projects. The use of bonds was included in the FY 2012 budget, and allows for a more rapid and greater level of funding for \$100 million in capital projects. It also will generate and support a higher level of economic activity in the region.



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Question: Will any Cook County property tax pledge be necessary to issue these bonds?

Answer: No.

Question: What is the principal/interest maturity schedule? Is there any rating agency issue with doing this, in light of the state/county pension issues?

Answer: The actual interest rates on the Series 2012 Bonds will be set at the time of the sale, based on market conditions and investor reception, but are expected to be significantly below 5% per year. The bonds would be structured for a level debt service structure of approximately \$7 million annually over 25 years, assuming current market interest rates. The Series 2012 Bonds' Proposed Interest and Total Debt Service (shown in the attached chart) reflects our estimate of current market conditions, which reflect historically low interest rates.

We have met with Moody's Investors Service, Fitch Ratings, and Standard and Poor's Ratings Services. The rating agencies are aware that the problems associated with state and local pension systems can be addressed only through legislation, and are watching state and local efforts with great interest. However, they are also aware that state and local pension challenges chiefly impact the County's General Obligation rating. As this transaction is for the County's inaugural sales tax issue, they will place greater attention on the strength of the sales tax credit's legal security, structure, historical performance, and diversity of the County's sales tax revenue base. Thus, at the moment, none of the rating agencies have identified the state/county pension challenges as an issue with respect to rating the Series 2012 Bonds. Further the issuance of a new debt instrument in the form of sales tax revenue bonds will not have an impact on the County's existing General Obligation Bond rating.

Thank you in advance for your support of this highway construction initiative. Please let us know if you have any more questions or would like additional information.

Sincerely,



Tariq Malhance
Chief Financial Officer

Cc: Letitia Close

Attachment

| County of Cook, Illinois | | | | | | | |
|------------------------------------------------------------------------------|----------------------------|---------------------------|-------------------------------|-------------------------------|------------------------------|------------------------------|-----------------------------------------|
| Motor Fuel Tax Revenue Bonds Credit vs. Sales Tax Revenue Bonds Debt Service | | | | | | | |
| Bond Year Ending | Hypothetical MFT Principal | Hypothetical MFT Interest | Hypothetical MFT Debt Service | Projected Sales Tax Principal | Projected Sales Tax Interest | Total Sales Tax Debt Service | Savings from use of Sales Tax bonds (1) |
| 8/23/2012 | | | | | | | |
| 11/15/2013 | 2,045,000 | 4,453,668 | 6,498,668 | 2,295,000 | 3,918,536 | 6,213,536 | 285,132 |
| 11/15/2014 | 2,890,000 | 3,605,745 | 6,495,745 | 3,035,000 | 3,176,421 | 6,211,421 | 284,324 |
| 11/15/2015 | 2,930,000 | 3,568,753 | 6,498,753 | 3,060,000 | 3,149,713 | 6,209,713 | 289,040 |
| 11/15/2016 | 2,970,000 | 3,525,096 | 6,495,096 | 3,095,000 | 3,116,359 | 6,211,359 | 283,737 |
| 11/15/2017 | 3,020,000 | 3,476,388 | 6,496,388 | 3,135,000 | 3,077,981 | 6,212,981 | 283,407 |
| 11/15/2018 | 3,075,000 | 3,419,612 | 6,494,612 | 3,180,000 | 3,031,583 | 6,211,583 | 283,029 |
| 11/15/2019 | 3,145,000 | 3,352,577 | 6,497,577 | 3,235,000 | 2,974,979 | 6,209,979 | 287,598 |
| 11/15/2020 | 3,220,000 | 3,275,524 | 6,495,524 | 3,300,000 | 2,908,661 | 6,208,661 | 286,863 |
| 11/15/2021 | 3,305,000 | 3,189,550 | 6,494,550 | 3,375,000 | 2,833,751 | 6,208,751 | 285,799 |
| 11/15/2022 | 3,405,000 | 3,093,705 | 6,498,705 | 3,460,000 | 2,749,376 | 6,209,376 | 289,329 |
| 11/15/2023 | 3,505,000 | 2,990,193 | 6,495,193 | 3,555,000 | 2,658,032 | 6,213,032 | 282,161 |
| 11/15/2024 | 3,625,000 | 2,873,827 | 6,498,827 | 3,655,000 | 2,554,226 | 6,209,226 | 289,601 |
| 11/15/2025 | 3,750,000 | 2,746,227 | 6,496,227 | 3,770,000 | 2,440,190 | 6,210,190 | 286,037 |
| 11/15/2026 | 3,890,000 | 2,607,477 | 6,497,477 | 3,895,000 | 2,315,780 | 6,210,780 | 286,697 |
| 11/15/2027 | 4,040,000 | 2,458,490 | 6,498,490 | 4,030,000 | 2,182,182 | 6,212,182 | 286,309 |
| 11/15/2028 | 4,200,000 | 2,298,102 | 6,498,102 | 4,175,000 | 2,038,311 | 6,213,311 | 284,792 |
| 11/15/2029 | 4,370,000 | 2,126,742 | 6,496,742 | 4,325,000 | 1,884,671 | 6,209,671 | 287,072 |
| 11/15/2030 | 4,550,000 | 1,944,076 | 6,494,076 | 4,490,000 | 1,721,186 | 6,211,186 | 282,891 |
| 11/15/2031 | 4,745,000 | 1,749,791 | 6,494,791 | 4,665,000 | 1,547,423 | 6,212,423 | 282,369 |
| 11/15/2032 | 4,955,000 | 1,543,384 | 6,498,384 | 4,845,000 | 1,365,488 | 6,210,488 | 287,896 |
| 11/15/2033 | 5,165,000 | 1,330,319 | 6,495,319 | 5,035,000 | 1,176,533 | 6,211,533 | 283,786 |
| 11/15/2034 | 5,410,000 | 1,088,080 | 6,498,080 | 5,250,000 | 960,531 | 6,210,531 | 287,549 |
| 11/15/2035 | 5,660,000 | 834,351 | 6,494,351 | 5,475,000 | 735,306 | 6,210,306 | 284,045 |
| 11/15/2036 | 5,925,000 | 568,897 | 6,493,897 | 5,710,000 | 500,429 | 6,210,429 | 283,469 |
| 11/15/2037 | 6,205,000 | 291,015 | 6,496,015 | 5,955,000 | 255,470 | 6,210,470 | 285,545 |
| TOTAL | 100,000,000 | 62,411,584 | 162,411,584 | 100,000,000 | 55,273,110 | 155,273,110 | 7,138,474 |

(1) Present value of total difference is \$4,421,687

Please note that the figures above are indicative as of current market rates on July 20, 2012 and are subject to change according to prevailing market conditions

118 N. Clark Street, Room 567
Chicago, IL 60602
312.603.4400 Office
312.603.6688 Fax
e-mail: jdaley@cookcountygov.com



JOHN P. DALEY
Chairman
Committee on Finance

**Commissioner – 11th District
Cook County Board of Commissioners**

MEMORANDUM

Date: July 20, 2012

To: Members of the Finance Committee

From: John P. Daley
Chairman, Finance Committee

Subject: Correspondence regarding a Finance Committee agenda item

Attached for your information is recent correspondence regarding Communication Number 319031 (New Item 12 from the Board meeting of July 10, 2012), which appears on the agenda for the Finance Committee meeting of July 23, 2012.



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www.morganlewis.com

Morgan Lewis
COUNSELORS AT LAW

Scott T. Schutte
Partner
312.324.1773
sschutte@morganlewis.com

VIA CERTIFIED MAIL AND MESSENGER

John P. Daley, Chairman
Finance Committee of the Cook County
Board of Commissioners
118 N. Clark Street, Room 567
Chicago, IL 60602

Sheriff Tom Dart
Cook County Sheriff's Office
50 W. Washington
Chicago, IL 60602

Maria de Lourdes Coss, CPPO
Chief Procurement Officer
Cook County Office of the Purchasing
Agent
118 North Clark Street, Room 1018
Chicago, IL 60602

E. LaVerne Hall
Director, Office of Contract Compliance
118 N. Clark Street Room 1020
Chicago, IL 60602

Re: Bid and Contract Award Protest by ARAMARK Correctional Services, LLC pertaining
to Request For Proposal No. 11-84-038P for Food Services

Dear Chairman Daley, Sheriff Dart, Ms. de Lourdes Coss, and Ms. Hall:

We represent ARAMARK Correctional Services, LLC (“ARAMARK”). This letter constitutes ARAMARK’s protest of the recommendation made public on July 10, 2012 by the Office of the Sheriff of Cook County to award RFP No. 11-84-038P (the “RFP”) to CBM Managed Services (“CBMS”), one of the bidders on the RFP, and then allow CBMS to assign the contract to a newly-formed limited liability company, CBM Premier Management, LLC (“CBM Premier”), which did not submit a bid in response to the RFP.

We understand that on July 10, 2012 – pursuant to a recommendation of contract award and request for approval to enter into a contract from the Sheriff of Cook County and the Chief Procurement Officer – the Cook County Board of Commissioners voted to refer to the Finance Committee the recommendation to award the contract to CBMS and assign it to CBM Premier. Although it is unclear whether the County will take the position that this action by the Cook County Board of Commissioners constitutes a “recommendation for award” under Sections 34-136 and 34-138 of the Procurement Code, this is the first public information regarding any award of RFP 11-84-038P. Accordingly, ARAMARK is submitting this protest to the procurement and

July 13, 2012
Page 2

competitive bidding process associated with the RFP. We understand that at the Finance Committee meeting on July 23, 2012, there will be an opportunity for public comment on the recommendation to award the contract to CBMS and allow the assignment of the contract to CBM Premier. We welcome the opportunity to discuss the following items, and others, that the Finance Committee must consider with respect to the recommendation.

ARAMARK has limited information available to it at this point. Nonetheless, based on the information that is available, ARAMARK objects to the award on the grounds that: (1) the recommendation is contrary to the interests of the County; (2) the recommendation is contrary to the RFP evaluation process outlined within the RFP itself and within the Cook County Procurement Code; and (3) the bidding and evaluation process has not been fairly administered with respect to ARAMARK, as required by Section 34-138 of the Procurement Code. ARAMARK offers the following facts in support of its protest, and reserves the right to supplement these facts – and to advance additional arguments – as new evidence and information becomes available:

I. ARAMARK IS A RESPONSIVE BIDDER AND OFFERED THE BEST OVERALL VALUE TO THE COUNTY.

A. ARAMARK Is a Responsive and Responsible Bidder.

Pursuant to Section 5.4 of the RFP, the County intended to choose a proposer that “best meets the needs of the County and provides the best overall value” for food services for the Department of Corrections. ARAMARK’s proposal satisfied all of the criteria for award of the contract, and also provided the best overall value to the County.

As late as June 28, 2012, County officials – including Alexis Herrera, Brandi Knazze, Barbie Flock, Jocelyn Jackson (AED Administration), Sean Julian (Superintendent of Contract Monitoring), and Phillip Gnacinski (M.S. Sanitarian), as well as lawyers from the Office of the Sheriff and the Office of the Cook County State’s Attorney – engaged in negotiations with ARAMARK toward a final contract. These negotiations would not have taken place had ARAMARK not been identified as a responsible and responsive bidder. *See RFP Secs. 5.3.8; 5.6.* Indeed, during these negotiations, County officials reacted positively to ARAMARK’s proposal, and also indicated their approval of ARAMARK’s current performance at the Cook County Jail. As late as July 10, 2012, ARAMARK was providing information requested by the County during these negotiations relating to the Proposal. On information and belief, ARAMARK had the highest scoring proposal, according to the proposal evaluation committee. *See RFP Section 5.3.*

B. ARAMARK's Proposal Was Millions of Dollars Lower than CBMS's Proposal and Thus Offered the "Best Overall Value" to the County.

In the recommendation to award the contract, the Sheriff and the Chief Procurement Officer represented to the Board of Commissioners that the financial impact to the County of the award to CBMS and assignment to CBM Premier would be \$38,360,583.23. The recommendation did not discuss the fact that ARAMARK's proposal was *more than \$2 million* lower than CBMS's proposal for the initial three-year term of the contract, and *more than \$4 million lower* than CBMS's proposal over the lifetime of the contract. On this fact alone, the award to CBMS does not "provide the best overall value" to the County. *See* RFP Section 5.4. The recommendation provided no explanation as to why the Board of Commissioners should choose to pay over \$4 million more than it needs to in order to feed the inmates at the Cook County Jail.

Additionally, the recommendation made no mention of the fact that ARAMARK has provided food services to the Cook County Department of Corrections at the Cook County Jail for more than 10 years. ARAMARK is familiar with the stringent and varying requirements of providing meals in a correctional setting, as well as the unique issues presented at the Cook County Jail. As set forth below, CBM Premier is a newly-formed company that has no experience whatsoever with the Cook County Corrections system (or, on information and belief, *any* correctional system). This creates the potential risk of significant operational, financial and security issues at the County Jail and is almost certain to result in incremental transition costs apparently not factored into the County's award decision. The recommendation to award a contract of this magnitude to an untested company at a significantly higher cost to the County does not comport with Section 5.4 or the overall objectives of the RFP.

II. CBM PREMIER MANAGEMENT, LLC DOES NOT MEET THE TECHNICAL CRITERIA FOR THE CONTRACT AND SHOULD HAVE BEEN DISQUALIFIED.

A. CBM Premier Is A Newly Formed Limited Liability Corporation That Was Not Even Authorized to Conduct Business When the RFP Was Issued, and Has Never Engaged in Any Work for the County or for any Other Client.

According to the recommendation, the Sheriff and the Chief Procurement Officer recommended that the contract be awarded to CBM Managed Services, and then "will be assigned to CBM Premier Management LLC as indicated in their proposal." CBM Premier is a limited liability corporation with three members: Catering by Marlin, Inc. of South Dakota; Airport Restaurant Management, Inc.; and The Buona Companies. CBM Premier was formed as a limited liability corporation doing business in Illinois on January 30, 2012, *over three months after the RFP was issued by the County, and two months after proposals were due.* CBM Premier has only been in business for seven months. No available public records suggest that CBM Premier has had any history of procurement with Cook County, or with any public entity

July 13, 2012
Page 4

in the corrections industry. Thus, it seems unlikely that CBM Premier can satisfy the stringent criteria set forth in the RFP to be deemed a responsible and responsive bidder and any information by CBMS is wholly insufficient since it will not ultimately be responsible for providing the services requested in the RFP.

B. CBM Premier Should Have Been Disqualified Based On Its Failure To Meet Technical Criteria of the RFP.

The RFP requires that, as a minimum requirement to be awarded the contract, a proposer had to meet several technical criteria. Section 5.3 of the RFP discussed the evaluation process, and stated that “RFP responses which do not meet these criteria will be disqualified without further consideration.” The criteria for selection included compliance with the Technical Proposal specifics within Section 6.2 of the RFP.

Section 6.2 of the RFP required (among other things) that the proposer demonstrate “experience . . . as evidenced by the successful implementation of similar inmate meal programs in at least 3 large, complex public organizations preferably County government and municipal organizations. Of those 3 organizations, at least one should service 2,000 inmates or more.” Section 6.2 further states that the proposer demonstrate “[q]ualifications and experience of the proposed key personnel as evidenced by relevant experience including correctional food service,” and provide “[q]uality of customer service references from 3 current or past large institutional/governmental clients, which receive(d) food service.”

As a 7-month-old company, CBM Premier – which is the relevant entity since it is the entity that would have to perform under the contract – simply cannot have the experience that the RFP requires. For this reason alone, CBM Premier did not meet the technical requirements of the RFP and, therefore, should have been disqualified.

Section 7.2.6 of the RFP also requires that the proposer demonstrate “financial stability” by providing “audited financial statements for the last three fiscal years,” including providing documents such as a “letter of opinion, balance sheet, schedules, and related auditor’s notes.” A 7-month-old company cannot have such documents, or the “financial stability” that justifies the award of a contract worth more than \$38 million during the initial term and over \$76 million during the lifetime of the contract (again, over \$4 million more than the ARAMARK proposal over the life of the contract).

C. CBM Premier’s Proposal Has Not Been Approved by the Cook County Office of Contract Compliance With Respect to M/WBE Participation.

Based on the recommendation provided to the Board of Commissioners on July 10, 2012, it does not appear that the proposal of CBM Premier has been approved by the Office of Contract Compliance with respect to its Minority and Women-Owned Business Enterprise (“M/WBE”) participation, as required by the RFP. Airport Restaurant Management, Inc, is a Cook-County

July 13, 2012
Page 5

certified MBE. On information and belief, CBM's proposal involved participation by Airport Restaurant Management Inc. in an effort to satisfy the County's MBE participation goals; no other minority businesses were proposed as subcontractors to CBM's proposal. ARAMARK submits that CBM Premier's proposal does not meet the RFP's stated goals for the inclusion of MBEs or other disadvantaged businesses.

D. CBMS's Withdrawal and Subsequent Re-Bid Should Have Disqualified CBMS.

On information and belief, at some point during the RFP process CBMS withdrew its proposal from consideration by the County. There is no provision for withdrawal and re-bid within the RFP procedures. Accordingly, once CBMS withdrew, it should have been disqualified from consideration. And, under no circumstances should CBMS have been permitted to revive its withdrawn proposal.

The fact that CBMS's proposal included an LLC that was not in existence when CBMS was required to respond demonstrates that CBMS was allowed to re-craft and/or re-structure its proposal. ARAMARK was not given such information or opportunity, and such a procedure is not permitted by the Procurement Code or the RFP.

* * * * *

For all these reasons, and pursuant to Cook County Ordinance Sec. 34-136 and 34-138, ARAMARK requests that the recommendation to award a contract to CBMS for RFP No. 11-84-038P be rescinded, and that the contract for RFP 11-04-083P be awarded to ARAMARK. Alternatively, ARAMARK requests that the recommendation to award a contract for RFP No. 11-84-038P be rescinded and the County re-bid for these services.

Sincerely,



Scott T. Schutte

Morgan, Lewis & Bockius LLP
77 West Wacker Drive
Chicago, IL 60601
Tel: 312.324.1000
Fax: 312.324.1001
www.morganlewis.com

Morgan Lewis
COUNSELORS AT LAW

Scott T. Schutte
Partner
312.324.1773
sschutte@morganlewis.com

July 18, 2012

VIA CERTIFIED MAIL AND MESSENGER

John P. Daley, Chairman
Finance Committee of the Cook County
Board of Commissioners
118 N. Clark Street, Room 567
Chicago, IL 60602

Sheriff Tom Dart
Cook County Sheriff's Office
50 W. Washington
Chicago, IL 60602

Maria de Lourdes Coss, CPPO
Chief Procurement Officer
Cook County Office of the Purchasing Agent
118 North Clark Street, Room 1018
Chicago, IL 60602

E. LaVerne Hall
Director, Office of Contract Compliance
118 N. Clark Street Room 1020
Chicago, IL 60602

Re: Bid and Contract Award Protest by ARAMARK Correctional Services, LLC
pertaining to Request For Proposal No. 11-84-038P for Food Services

Dear Chairman Daley, Sheriff Dart, Ms. de Lourdes Coss, and Ms. Hall:

I am writing on behalf of ARAMARK Correctional Services, LLC ("ARAMARK") in follow-up to the bid protest letter (the "Bid Protest") that we served on you on July 13, 2012 concerning RFP NO. 11-84-038P (the "RFP").

We understand that at the Finance Committee meeting on July 23, 2012 (the "July 23 Meeting"), there will be an opportunity for public comment on the recommendation to award the contract to CBM Managed Services ("CBMS") and to allow CBMS to assign the contract to a newly-formed limited liability company, CBM Premier Management, LLC ("CBM Premier"). As we stated in our Bid Protest, ARAMARK welcomes the opportunity to discuss the issues raised in the Bid Protest at the meeting of the Finance Committee. Accordingly, ARAMARK is in the process of requesting an opportunity to raise these important issues at the July 23 Meeting.

John P. Daley, Chairman
Sheriff Tom Dart
Maria de Lourdes Coss, CPPO
E. LaVerne Hall
July 18, 2012
Page 2

Meanwhile, in an effort to be able to respond to any issues that might arise during the July 23 Meeting, we request that you make available to ARAMARK the following materials:

1. A copy of the contract that – according to the Finance Committee Notice and Agenda dated July 11, 2012 (the “July 23 Agenda”) – the Board is being asked to approve. *See also* RFP Section 5.6 (“[t]he award document shall be a contract incorporating by reference all the requirements, pricing spread sheets, terms and conditions and all other attachments of the solicitation and the Proposer’s proposal response”).
2. A copy of the CBMS proposal. *See id.*
3. Documents that substantiate the alleged determination that CBMS’ proposal “offered the best value” based on the “evaluation process [that] was conducted based on the evaluation criteria outlined in the RFP document.” *See* July 23 Agenda at 3.
4. Documents showing the scoring referred to in Section 5.3 of the RFP for both the CBMS and ARAMARK proposals.
5. Documents reflecting any communication between CBMS and/or CBM Premier regarding the RFP, the CBMS proposal, or the contract.
6. Any documents that the Finance Committee would like to discuss with ARAMARK if an ARAMARK representative is allowed to speak at the July 23 Meeting.

* * *

Thank you for your attention to this important issue, and please let me know if you would like to discuss ARAMARK’s request.

Sincerely,



Scott T. Schutte

STS/h

MEMORANDUM

Date: July 23, 2012

To: Members of the Finance Committee

From: John P. Daley
Chairman, Finance Committee

Subject: Additional correspondence regarding Comm. No. 319031

Attached for your information is additional correspondence regarding Communication Number 319031 (New Item 12 from the Board meeting of July 10, 2012), which appears on the agenda for the Finance Committee meeting of July 23, 2012.

THE BOARD OF COMMISSIONERS
TONI PRECKWINKLE, PRESIDENT

| | | | |
|--------------------|-----------------------|----------------------------|------------------------|
| Earlean Collins | 1 st Dist. | Bridget Gainer | 10 th Dist. |
| Robert Steele | 2 nd Dist. | John P. Daley | 11 th Dist. |
| Jerry Butler | 3 rd Dist. | John A. Fritchey | 12 th Dist. |
| William M. Beavers | 4 th Dist. | Lawrence Suffredin | 13 th Dist. |
| Deborah Sims | 5 th Dist. | Gregg Gaslin | 14 th Dist. |
| Joan P. Murphy | 6 th Dist. | Timothy O. Schneider | 15 th Dist. |
| Jesus G. Garcia | 7 th Dist. | Jeffrey R. Tobolski | 16 th Dist. |
| Edwin Reyes | 8 th Dist. | Elizabeth Ann Doody Gorman | 17 th Dist. |
| Peter N. Silvestri | 9 th Dist. | | |



COUNTY OF COOK
BUREAU OF FINANCE

OFFICE OF THE CHIEF PROCUREMENT OFFICER
MARIA DE LOURDES COSS
CHIEF PROCUREMENT OFFICER

County Building
118 North Clark Street, Room 1018
Chicago, Illinois 60602-1304
TEL: (312) 603-5370

MEMORANDUM

To: Cook County Board of Commissioners

From: Maria de Lourdes Coss, CPPO *mlc*
Chief Procurement Officer

Date: July 20, 2012

RE: Request for Proposal No. 11-84-038P
Food Service Management

I am in receipt of a letter from ARAMARK's legal counsel, Scott T. Schutte of Morgan, Lewis & Bockius LLP regarding the procurement reference above. The letter is styled as a protest; however, the protest procedures detailed in Section 34-136 do not apply to the RFP process. Enclosed is copy of the correspondence received and my response.

Please advise if you have any questions. Thank you.

cc Hon. Toni Preckwinkle, President
Hon. Tom Dart, Sheriff
Zelda Whitler, Undersheriff
Kurt Summers, Chief of Staff
Laura Lechowicz Felicione
Letitia Close
LaVerné Hall

THE BOARD OF COMMISSIONERS
TONI PRECKWINKLE, PRESIDENT

| | | | |
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| Peter N. Silvestri | 9 th Dist | | |



COUNTY OF COOK
BUREAU OF FINANCE

OFFICE OF THE CHIEF PROCUREMENT OFFICER
MARIA DE LOURDES COSS
CHIEF PROCUREMENT OFFICER

County Building
118 North Clark Street, Room 1018
Chicago, Illinois 60602-1304
TEL: (312) 603-5370

July 20, 2012

VIA CERTIFIED MAIL AND FACSIMILE

Mr. Scott T. Schutte, Partner
Morgan Lewis & Bockius LLP
77 West Wacker Drive
Chicago, IL 60601

Dear Mr. Schutte:

RE: Request for Proposal No. 11-84-038P
Response to letter dated July 18, 2012
Food Service Management

I am in receipt of your letter of July 18, 2012 requesting copy of documents associated with the contract for Food Service Management for the Department of Corrections. In accordance with the Freedom of Information Act ("Act"), please submit a freedom of information request. The County will make available for inspection or copying any documents it is required to pursuant to the Act.

Also, at every Board of Commissioners meeting in accordance with the Board rules, members of the public are allowed to address the Board.

Sincerely,

A handwritten signature in black ink, appearing to read "Maria de Lourdes Coss".

Maria de Lourdes Coss, CPPO
Chief Procurement Officer

cc Hon. John P. Daley, Chairman
Hon. Tom Dart, Sheriff
LaVerne Hall

THE BOARD OF COMMISSIONERS
TONI PRECKWINKLE, PRESIDENT

| | | | |
|--------------------|-----------------------|----------------------------|------------------------|
| Earlean Collins | 1 st Dist. | Bridget Gainer | 10 th Dist. |
| Robert Steele | 2 nd Dist. | John P. Daley | 11 th Dist. |
| Jerry Butler | 3 rd Dist. | John A. Fritchey | 12 th Dist. |
| William M. Beavers | 4 th Dist. | Lawrence Suffredin | 13 th Dist. |
| Deborah Sims | 5 th Dist. | Gregg Goslin | 14 th Dist. |
| Joan P. Murphy | 6 th Dist. | Timothy O. Schneider | 15 th Dist. |
| Jesus G. Garcia | 7 th Dist. | Jeffrey R. Tobolski | 16 th Dist. |
| Edwin Reyes | 8 th Dist. | Elizabeth Ann Doody Gorman | 17 th Dist. |
| Peter N. Silvestri | 9 th Dist. | | |



COUNTY OF COOK
BUREAU OF FINANCE

OFFICE OF THE CHIEF PROCUREMENT OFFICER

MARIA DE LOURDES COSS
CHIEF PROCUREMENT OFFICER

County Building
118 North Clark Street, Room 1018
Chicago, Illinois 60602-1304
TEL: (312) 603-5370

July 20, 2012

VIA CERTIFIED MAIL AND FACSIMILE

Mr. Scott T. Schutte, Partner
Morgan Lewis & Bockius LLP
77 West Wacker Drive
Chicago, IL 60601

Dear Mr. Schutte:

RE: Request for Proposal No. 11-84-038P
Response to Protest dated July 13, 2012
Food Service Management

I am in receipt of your letter of July 13, 2012 which you have styled as a protest to the recommendation to the Board of Commissioners of Cook County that the County enter into a contract with CBM Managed Services pursuant to Request for Proposal No. 11-84-038P for Food Services.

The citations to the Cook County Procurement Code ("Code") as the basis for your letter pertain to a bid. The County did not use the bid process set out in the Code but rather utilized the Request for Proposal ("RFP") process set forth in §34-138. There is no provision in that section for a protest of the recommendation resulting from the RFP process.

As you may know, the RFP process is to determine which, if any, responder(s) to an RFP the County wishes to enter into negotiations for a contract. That process gives the County wide latitude in determining with whom it wishes to negotiate a contract where price is but one of many factors in making that determination.

Notwithstanding your letter, I stand by the process which resulted in the recommendation of CBM Managed Services for this contract.

Sincerely,

A handwritten signature in black ink that reads "Maria de Lourdes Coss".

Maria de Lourdes Coss, CPPO
Chief Procurement Officer

Morgan, Lewis & Bockius LLP
77 West Wacker Drive
Chicago, IL 60601
Tel: 312.324.1000
Fax: 312.324.1001
www.morganlewis.com

Morgan Lewis
COUNSELORS AT LAW

Scott T. Schutte
Partner
312.324.1773
sschutte@morganlewis.com

July 20, 2012

**VIA ELECTRONIC MAIL (cookcounty.board@cookcountyl.gov)
AND MESSENGER**

Matthew B. DeLeon,
Secretary to the Board
118 N. Clark Street Room 567
Chicago, Illinois 60602

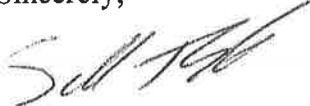
Re: Bid and Contract Award Protest by ARAMARK Correctional Services, LLC
pertaining to Request For Proposal No. 11-84-038P for Food Services

Dear Mr. DeLeon:

We represent ARAMARK Correctional Services, LLC ("ARAMARK"). We understand that the agenda at the Finance Committee's meeting on July 23, 2012 at 1 p.m. will include consideration of a recommendation to award a contract pursuant to RFP No. 11-84-038P (the "RFP") to CBM Managed Services ("CBMS") and thereafter to allow CBMS to assign the contract to a newly-formed limited liability company, CBM Premier Management, LLC ("CBM Premier").

As the proponent of a competing proposal for this contract, ARAMARK desires to address the Finance Committee at the July 23, 2012 meeting for a period of not less than 30 minutes, including but not limited to issues raised in ARAMARK's bid protest dated July 13, 2012. Please advise of the Finance Committee's willingness to grant this request.

Sincerely,



Scott T. Schutte

STS/mfd

Morgan, Lewis & Bockius LLP
77 West Wacker Drive
Chicago, IL 60601
Tel: 312.324.1000
Fax: 312.324.1001
www.morganlewis.com

Morgan Lewis
COUNSELORS AT LAW

Scott T. Schutte
Partner
312.324.1773
sschutte@morganlewis.com

July 23, 2012

VIA MESSENGER

Maria de Lourdes Coss, CPPO
Chief Procurement Officer
Cook County Office of the Purchasing Agent
118 North Clark Street, Room 1018
Chicago, IL 60602

Re: Bid and Contract Award Protest by ARAMARK Correctional Services, LLC
pertaining to Request For Proposal No. 11-84-038P for Food Services

Dear Ms. de Lourdes Coss:

On July 13, 2012, ARAMARK Correctional Services, LLC (“ARAMARK”) served on you a bid protest letter (the “Bid Protest”) concerning RFP NO. 11-84-038P (the “RFP”). We have received no response. We also have not received any response to my letter of July 18, 2012 asking your office to make certain information concerning the RFP available to ARAMARK. (Both letters are attached for your convenience.)

Notwithstanding ARAMARK’s Bid Protest, we understand that the Finance Committee of the Cook County Board of Commissioners intends to take up your office’s award recommendation at its meeting at 1 p.m. today.

Section 34-136 of the Cook County Procurement Code provides as follows:

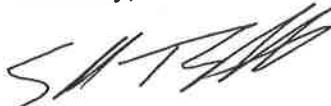
When a bid protest has been submitted, no further action shall be taken on the Procurement until the CPO makes a decision. The CPO shall issue a written decision on the bid protest to the protesting Bidder and to any other Bidder affected by such decision as soon as reasonably practicable.

Maria de Lourdes Coss, CPPO
July 23, 2012
Page 2

The bid protest procedure set forth in Section 34-136 applies to the RFP. Section 34-136 – including the provision quoted above – is titled “competitive bidding” and thus applies to all contracts that are let through a competitive process. The request for proposal process – including the process of choosing a vendor for food services at Cook County Jail – “is a competitive process under this Procurement Code.” *See* Procurement Code Section 34-138.

In light of ARAMARK’s Bid Protest, the Finance Committee’s consideration of your office’s recommendation would be improper under Section 34-136. If the Finance Committee chooses to proceed with the hearing despite ARAMARK’s unresolved protest, ARAMARK expressly reserves all rights at law and equity.

Sincerely,



Scott T. Schutte

STS/h
Enclosures
cc:

John P. Daley, Chairman (via messenger)
Finance Committee of the Cook County
Board of Commissioners
118 N. Clark Street, Room 567
Chicago, IL 60602

Sherriff Tom Dart (via messenger)
Cook County Sheriff’s Office
50 W. Washington
Chicago, IL 60602

E. LaVerne Hall (via messenger)
Director, Office of Contract Compliance
118 N. Clark Street Room 1020
Chicago, IL 60602

Laura Lechowicz Felicione (via messenger)
Special Counsel, Cook County Office of the President
118 N. Clark Street, Room 537
Chicago, IL 60602

118 N. Clark Street, Room 567
Chicago, IL 60602
312.603.4400 Office
312.603.6688 Fax
e-mail: jdaley@cookcountygov.com



JOHN P. DALEY
Chairman
Committee on Finance

**Commissioner – 11th District
Cook County Board of Commissioners**

July 23, 2012

Mr. Richard Prendergast
111 W. Washington St., Suite 1100
Chicago, Illinois 60602

Dear Mr. Prendergast:

We have received your request to submit oral testimony on behalf of Aramark Correctional Services, LLC, at a meeting of the Finance Committee scheduled for July 23, 2012, at 1:00 PM. Please be advised that pursuant to Chapter 2, Article III, Section 2-107 (dd) of the Cook County Code of Ordinances, you will be granted 3 minutes to present your oral testimony. In the event that members of the Committee have additional questions for you or seek further clarification of your remarks, additional time may be granted to allow for your response to inquiries from the Committee. While time constraints require limitations on the length of oral testimony and subsequent questions, should you wish to submit written testimony, letters, or other documents, these will be accepted and entered into the Committee's final report.

Sincerely,

A handwritten signature in black ink, appearing to read "John P. Daley".

John P. Daley
Chairman, Committee on Finance



Printed on Recycled Paper

EXHIBIT A

Proposed Highway Department Capital Plan - 2012-2014

| Project (Road Name) | Limits | Fiscal Year | Estimated Cost | Municipality | Commissioner District | Project Scope |
|---------------------------|-----------------------------------------|-------------|---------------------|-------------------------------------|-------------------------|------------------------------------------------------------------------------------------|
| 2012 | | | | | | |
| Shoe Factory Road | at Sutton Road (Village Letting) | 2012 | \$100,000 | Hoffman Estates/Uninc. | 15 | Intersection Reconstruction/ Channelization |
| Lee Road | Shermer to Dundee (IDOT Letting) | 2012 | \$150,000 | Northbrook | 14 | Pavement Reconstruction |
| Winniketa Road | Skokie River to Hibbard (IDOT Letting) | 2012 | \$250,000 | Northfield | 14 | Wearing Surface Removal & Replacement with Base Course Repairs |
| Plainfield Road | 47th St to 1st Avenue | 2012 | \$300,000 | Brookfield/Lyons | 16 | Wearing Surface Removal & Replacement with Base Course Repairs |
| Crawford Avenue | at Church Street (Village Letting) | 2012 | \$340,000 | Skokie | 13 | Intersection Reconstruction/ Channelization |
| Old Orchard | at Skokie Boulevard (IDOT Letting) | 2012 | \$407,000 | Skokie | 13 | Intersection Reconstruction/ Channelization |
| 87th Street | LaGrange to Cliff | 2012 | \$500,000 | Willow Springs/Hickory Hills/Uninc. | 16 & 17 | Wearing Surface Removal & Replacement with Base Course Repairs |
| Green Bay Road | Pedestrian Underpass (Group 1 - 2012) | 2012 | \$500,000 | Kentwood | 13 & 14 | Pedestrian Underpass Structure Repairs |
| Mount Prospect Road | Northwest Highway to Busse | 2012 | \$600,000 | Des Plaines/Mount Prospect | 15 & 17 | Wearing Surface Removal & Replacement with Base Course Repairs |
| Arlington Heights Road | at Landmeier (Village Letting) | 2012 | \$800,000 | Elk Grove Village/Uninc. | 15 | Intersection Improvement |
| Harms Road | Golf to Lake (Group 1 - 2012) | 2012 | \$800,000 | Glenview/Skokie/Uninc. | 13 & 14 | Wearing Surface Removal & Replacement with Base Course Repairs |
| Flossmoor Road | West of I-57 to East of Cicero | 2012 | \$1,200,000 | Country Club Hills/Uninc. | 5 | Wearing Surface Removal & Replacement with Base Repairs & Overlay |
| Euclid Avenue | Elmhurst to Wolff | 2012 | \$1,500,000 | Mount Prospect/Prospect Heights | 15 & 17 | Wearing Surface Removal & Replacement with Base Repairs |
| Perry Road | Dundee to New Sutton Road | 2012 | \$2,000,000 | Barrington Hills/Uninc. | 14 | Base Recycling, Widening & Overlay |
| 109th Avenue | 119th to 105th Place | 2012 | \$3,000,000 | Orland Park | 17 | Base Recycling, Widening & Overlay |
| Bartlett Road | Lake to Golf | 2012 | \$3,300,000 | Streamwood/Hoffman Estates/Bartlett | 15 | Concrete Pavement Patching & Diamond Grinding |
| Quentin Road | Illinois to Northwest Highway | 2012 | \$3,700,000 | Palatine | 14 | Concrete Pavement Patching & Diamond Grinding |
| Wantworth Avenue | Shenwood Farming Station to Oglesby | 2012 | \$5,000,000 | Lansing | 4 & 6 | Concrete Pavement Patching & Diamond Grinding |
| South Park to Bishop Ford | 2012 | \$6,800,000 | South Holland | 6 | Pavement Reconstruction | |
| Joe Orr Road (Relocated) | East or Stony Island to Torrence Avenue | 2012 | \$7,200,000 | Lynwood | 6 | Pavement Reconstruction on new Alignment |
| 38th Avenue | 103rd Street to 87th Street | 2012 | \$11,100,000 | Hickory Hills/Palos Hills | 17 | Pavement Reconstruction |
| | Sub-total | | \$50,249,000 | | | |
| 2013 | | | | | | |
| Schaumburg Road | at Barrington Road | 2013 | \$400,000 | Schaumburg | 15 | Intersection Reconstruction/Widening/Improvement |
| Western Avenue | Roscoe to Addison | 2013 | \$400,000 | Chicago | 12 | Median, Curb and Gutter, Striping/Crosswalks |
| Joe Orr Road (Old) | Blue Stem Parkway to Torrence Avenue | 2013 | \$500,000 | Lynwood | 6 | Wearing Surface Removal & Replacement with Base Course Repairs; Storm Sewer Installation |
| Central Avenue | 135th to Cal Sag | 2013 | \$1,000,000 | Crestwood/Alip/Uninc. | 6 | Concrete Pavement Patching & Diamond Grinding |
| State Street | 26th St to Joe Orr Road | 2013 | \$2,000,000 | Chicago Heights | 5 & 6 | Concrete Pavement Patching & Diamond Grinding |
| Ashland Avenue | Lake St to Fullerton | 2013 | \$3,700,000 | Chicago | 1,8 & 12 | Traffic Signal/Interconnect |
| Crawford Avenue | Devon to Oakton Street | 2013 | \$9,600,000 | Lincolnwood/Skokie | 13 | Pavement Reconstruction |
| Lake-Cook Road | Phinney to Waukegan | 2013 | \$10,500,000 | Deerfield | 13 & 14 | Pavement Reconstruction/Widening |
| | Sub-total | | \$28,100,000 | | | |
| 2014 | | | | | | |
| 34th Avenue | 183rd Street to 171st Street | 2014 | \$1,000,000 | Tinley Park | 17 | Wearing Surface Removal & Replacement with Base Course Repairs |
| Will-Cook Road | at 143rd Street | 2014 | \$1,000,000 | Orland Park | 17 | Pavement Widening & Resurfacing/Intersection Improvement |

EXHIBIT A

| | | | | | | |
|----------------------------|---------------------------------------|------------------|----------------------|---------------------------|--------|----------------------------------------------------------------|
| Ashland Avenue | Cermak to Roosevelt Road | 2014 | \$1,900,000 | Chicago | 2 & 7 | Wearing Surface Removal & Replacement with Base Course Repairs |
| Schaumburg Road | Barrington to Roselle | 2014 | \$3,500,000 | Schaumburg | 15 | Concrete Pavement Patching & Diamond Grinding |
| Sauk Trail | Harlem to Ridgeland | 2014 | \$5,900,000 | Richton Park/Frankfort | 6 | Pavement Reconstruction |
| Old Orchard | East of Edens to Skokie | 2014 | \$7,000,000 | Skokie | 13 | Pavement Reconstruction |
| Center Street | 171st to 159th | 2014 | \$8,000,000 | Harvey | 5 | Pavement Reconstruction |
| Crawford Avenue | Oakton Street to Golf Road | 2014 | \$11,000,000 | Skokie | 13 | Pavement Reconstruction |
| | Sub-total | | \$40,200,000 | | | |
| Bridge Improvements | | | | | | |
| Euclid Avenue | Over I-55 | 2012 | \$350,000 | Rolling Meadows | 14 | Expansion Joint Replacement |
| | | Sub-total | \$350,000 | | | |
| Francisco Avenue | Over Cal Sag Channel | 2013 | \$125,000 | Unincorporated | 5 | Bridge Repairs |
| Ridgeeland Avenue | Over Cal Sag Channel | 2013 | \$225,000 | Worth/Alsip/Palos Heights | 6 & 17 | Bridge Repairs |
| Crawford Avenue | Over Cal Sag Channel | 2013 | \$225,000 | Alsip/Robbins | 5 & 6 | Bridge Repairs |
| 10th Avenue | Over Cal Sag Channel | 2013 | \$250,000 | Unincorporated | 17 | Bridge Repairs |
| Roseelle Road | Over Jane Adams Memorial Tollway | 2013 | \$300,000 | Schaumburg | 15 | Expansion Joint Replacement |
| | Sub-total | | \$1,175,000 | | | |
| East Lake Avenue | Over West Fork - N Br - Chicago River | 2014 | \$60,000 | Glenview | 14 | Bridge Repairs |
| Baileypoint Road | Over Des Plaines River | 2014 | \$60,000 | Riverside | 15 | Bridge Repairs |
| Flintz Road | Over Echo Lake | 2014 | \$200,000 | Wheeling | 14 | Bridge Repairs |
| Keedzie Avenue | Over NIRC RR | 2014 | \$500,000 | Ridgeling/Blue Island | 5 | Expansion Joint Replacement |
| | Sub-total | | \$820,000 | | | |
| | Grand Total = | | \$120,842,000 | | | |